

EUROPEAN NEWS

World insurance premium volume up 3.6% in 1982

BY JOHN WICKS IN ZURICH

THE TOTAL premium volume of world insurance business, excluding that of the East bloc countries, reached some \$466bn in 1982, according to estimates by Swiss Reinsurance Company. A further \$6bn is believed to have been accounted for by offshore captive insurers, two-thirds of this sum in Bermuda.

The \$466bn estimate is only 3.6 per cent up on the company's figure of \$450bn for the previous year, but this modest growth rate largely reflects the strength of the dollar. Without currency effects, world premium volume is seen as having expanded by as much as 10 per cent.

However, the recession was also responsible for the fact that non-life business grew by only 2.2 per cent in dollar terms in 1982, a rate far behind that of previous years, to reach about \$387bn. Life insurance is seen as having been less affected by economic developments; premiums increased by 5.4 per cent to \$199bn.

No less than 51 per cent of the overall premium figure was accounted for by the U.S. and Canada alone. European countries made up a further 27.9 per cent, and Japan 13.4

Portuguese job programme

By Our Lisbon Correspondent

THE SOCIALIST-led Portuguese Government has launched an emergency job programme for 3,000 unemployed farm workers in southern Portugal, whose families it recognises are living "on the edge of subsistence."

Under a four-month programme, the Government will subsidise employers to take on the jobs, paying 70 per cent of their wages up to a maximum of Esc 13,000 (\$92) a month.

The families all live in the Alentejo land reform zone, where huge wheat and cork estates were seized by Communist-led casual labourers, following the 1974 revolution.

Planned EEC steel cuts to total 30m tonnes

BY PAUL CHESERIGHT IN BRUSSELS

PLANNED CAPACITY in the EEC steel industry will total 30m tonnes under a restructuring programme which should finish by the end of next year, according to Mr Frans Andriessen, the Commissioner in charge of competition policy.

This is over 3m tonnes more than the Commission demanded from the Ten as a price for approving subsidies aimed at reforming the industry.

Mr Andriessen made it clear that the Commission would oppose any attempt either to waive rules agreed by the Ten for the reform programme or to have that programme extended beyond the

end of next year. After that no subsidies are permitted.

France has already announced plans for a fresh FF 30bn (\$2.5bn) subsidies programme to run into 1987 and it is widely thought in Brussels that Italy, Belgium and possibly the UK may find it beneficial to have the end-1985 deadline extended.

The grant of subsidies under the Ten's 1981 steel programme is tied to capacity cuts and the stability of steel companies by the end of 1985.

In June last year, the Commission demanded capacity cuts of 26.7m tonnes, spread around the Ten, from the 1980 maximum production capacity of 16.6m tonnes. It set a deadline of January 31, 1984 for submission of final national restructuring plans, after which time no temporary subsidies would be granted except for those to achieve the final plans.

The level of cuts planned and executed so far showed that the programme "is moving in the right direction," Mr Andriessen said.

France and the UK have not yet submitted their final plans. But the Commission received the Italian plan earlier this month. This accepts the Commission demand for cuts of 5.8m tonnes and is split between

Genscher's N-talks call rebuffed by Gromyko

MOSCOW, Herr Hans-Dietrich Genscher, the West German Foreign Minister, yesterday urged the Soviet Union to return to nuclear arms talks, but his approach was brusquely rebuffed by Mr Andrei Gromyko, his Soviet counterpart, according to West German officials.

In three hours of talks in the Kremlin, Herr Genscher said the West wanted a dialogue on all issues and in particular a resumption of U.S.-Soviet negotiations on medium- and long-range missiles, the officials said.

Mr Gromyko replied by delivering a large slice of a 70-minute statement to a sharp attack on Washington, saying it was entirely to blame for the present stalemate, they said.

Speaking at a luncheon after the talks, Herr Genscher returned to the topic and recalled that the Warsaw Pact had said there were no issues which could not be resolved through talks.

"But these words must be followed by deeds, and without any preconditions," he said.

Herr Genscher was said to have firmly rejected Mr Gromyko's attacks on Washington and termed them inaccurate.

In his own luncheon speech, Mr Gromyko stressed that talks on both medium- and long-range nuclear missiles could only resume if U.S. medium-range weapons were removed from Western Europe.

In the address, which diplomats described as unusually harsh by Kremlin diplomatic standards, he attacked the U.S. leadership, accusing it of taking a course towards confrontation and attempting to destroy East-West military parity.

French Left wins poll test in steel region

BY DAVID MARSH IN PARIS

THE LEFT-WING parties in France's coalition Government won an important local test in the heart of the country's troubled Eastern steel region at the weekend, when the Communist mayor was re-elected in a rethought municipal election at Thionville on the Moselle.

The victory by M Paul Souffrin by a small majority was viewed with particular concern by the Communist party, which has suffered a series of municipal poll reverses in recent months, above all in the industrialised urban belt around Paris.

The electoral win confirmed M Souffrin's showing in the March 1983 municipal vote, which was declared invalid after polling irregularities. Although it stems the tide of

recent poll setbacks, the mayor's victory at the head of combined Communist-Socialist list provides only very partial proof that the Left may be regaining popularity during the run-up to next month's European elections.

The Left won the Thionville seat in a low poll turnout amid evidence that many people did not vote because of apathy about the Government's inability to stem the tide of redundancies in the Lorraine steel area.

In other re-run municipal elections at the weekend, the right-wing opposition won a crushing victory at Dammarie east of Paris, while the Left clinched an unexpected success in the small south-western township of La Tour.



RENAULT next month will become the first European car manufacturer to launch a van-type "saloon" car capable of seating up to seven people, writes John Griffiths.

The Espace has been developed with Matra, the French aerospace company whose vehicles division was responsible for designing the Rancho, a small Range Rover-type vehicle.

While the Rancho is built in limited quantities by Matra for sale through Renault's dealer network, Renault is to use its own factory at Romorantin to build 50 Espaces a day initially.

It claims that the Espace—to be offered in four versions with 2 litre petrol or diesel engines—will have the handling and other qualities of a conventional saloon, and be capable of nearly 110 mph in its most powerful petrol-engined form. The car will enter other Continental markets at the end of the year, and is expected to be sold in Britain from next spring.

Craxi wins confidence vote on indexation

BY ALAN FRIEDMAN IN ROME

THE GOVERNMENT of Sig Bettino Craxi yesterday easily won its second parliamentary vote of confidence in 72 hours, linked to its decree cutting Italy's scale mobile wage indexation system this year.

The Chamber of deputies supported the Government 318-158 in a confidence vote which was designed to place a guillotine debate on the decree. The first confidence vote came in the early hours of Saturday when the chamber voted 341-193 in favour of the Government.

The second vote came as obstructive tactics by the opposition Communist Party continued. Some 73 priority agenda items have been tabled in order to delay the key part of Sig Craxi's legislative strategy—the second part of the confidence vote tied specifically to approval of the decree.

As a result of these extra items the parliament was yesterday holding a series of votes in order to cut off further debate.

According to one Cabinet minister, if these votes go well, then the chamber's vote on the decree will be held tomorrow. Although this vote, unlike yesterday's, will be by secret ballot, the Government is expected to hold its majority together.

If the Chamber approves the decree on Wednesday it will then be up to the Senate to consider the measure. (This could take about 20 days, leaving only a small margin of time before June 16, the date on which the decree expires.)

The European elections are to be held on June 17, which means that a Craxi victory on the decree could have a significant impact for his Socialist Party.

W. German industrial output 'to rise 5%'

BY ALAN FRIEDMAN IN ROME

DÜSSELDORF—West German industrial production is expected to rise by 5 per cent in 1984 after a 0.9 per cent rise in 1983, West Deutsche Landesbank (WestLB) said.

In a forecast on different sectors, WestLB said industrial production rose 0.8 per cent in the first quarter of 1984, compared with the same period last year.

It said the 4 per cent decline in March production was due to special factors and did not mean a break in the higher trend. It added, however, that a modest deceleration in current growth was forecast for 1984, not least as a result of union stoppages.

WestLB said its forecasts could not take into account strikes by IG Metall which, it said, overshadowed the generally positive outlook for West German industry.

The strikes are now entering their second week and spreading from Stuttgart to the state of Hesse. If the disruption can be kept within limits, growth forecasts can be left unchanged, the bank said.

But if strikes continue for much longer, its forecasts might have to be revised downwards.

The bank noted that production picked up very quickly after widespread strikes in the steel industry, in 1978.

WestLB said in its report that the growing West German industry was expected to contribute to a marked rise in investment and continued export demand. This growth would slow, however, partly due to an expected weakening of demand for German cars and partly as various state building aid programmes ran out, it said.

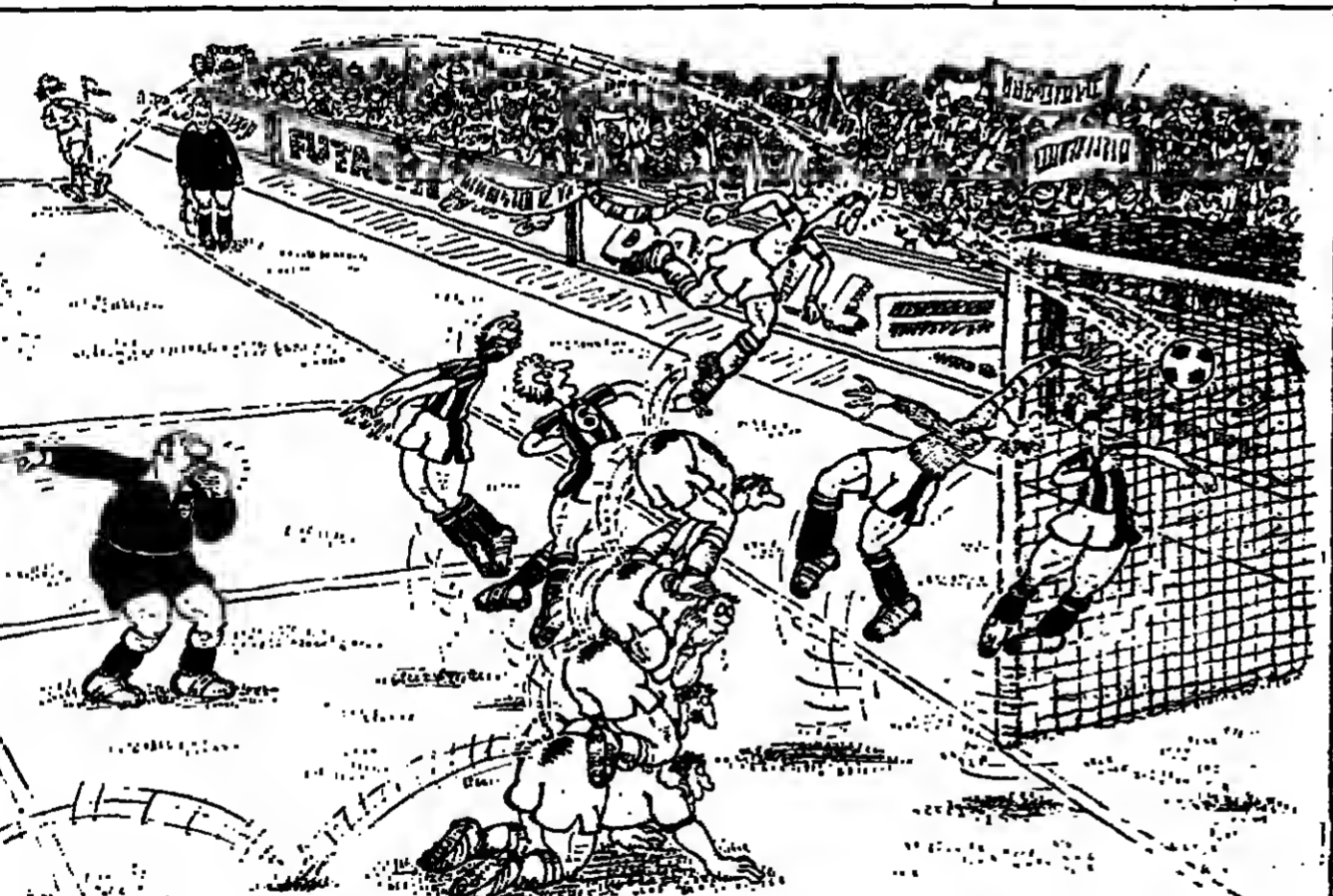
Legal action over Turkish petition

ANKARA martial law authorities yesterday started legal proceedings against 1,250 leading academics, lawyers, doctors, actors, and intellectuals who last week petitioned President Kenan Evren for more political liberalisation and an end to torture and the death penalty, writes David Barchard in Ankara.

The petition was carefully worded to avoid any direct breach of Turkey's martial law code. However, it was banned from publication by the military, as soon as it appeared.

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April, 1984.

EUROPEAN NEWS

Protests complicate Madrid's decision on Nato membership

BY TOM BURNS IN MADRID

A STRING OF pacifist demonstrations in Spanish cities over the weekend and plans for further protests during the next fortnight are proving embarrassing for the country's Socialist Government which is looking for a formula that will commit it to remain within Nato. The largest demonstration was in Barcelona where some 60,000 were estimated to have turned out. They gathered under the European pacifist slogan of disarmament, and added a second Spanish-grown slogan which called on the government to honour its electoral promise that a referendum would be held on Spain's continued membership of the Atlantic alliance. A notable feature of the Barcelona demonstration was that the local Socialist Party defied the national leadership and backed the protest. Hitherto, Socialist associations have stood aside from pacifist gatherings. Smaller demonstrations were held in other cities including Cartagena, an important navy depot, and Saragossa where the U.S. air force has facilities. Spanish pacifist groups are also planning a large protest in Madrid on June 5. The government, however, is resisting pressure to name a referendum date. It is also stepping up its public commitment to Western defence and

Banks seek bigger role in Norway's reserves

By Fay Gjester in Oslo

A STEEP rise in the Bank of Norway's foreign currency reserves to a record Nkr 62.5bn (\$5.7bn) at the end of April has revived discussion among Norwegian bankers about the Government's policy for investing these reserves. The banks would like to see a much larger share deposited in their overseas branches, enabling them to reinvest it on foreign markets. At present, most of the central bank's foreign currency reserves are on deposit with foreign banks. A Bank of Norway spokesman said yesterday that there were no immediate plans to let Norwegian banks handle a larger share of the state's foreign currency reserves, although this question was reviewed from time to time. The large foreign debts which the state ran up in the mid-1970s, when it borrowed against future oil revenues to ride out a recession, have now been virtually repaid. Only Nkr 4.5bn was outstanding at the end of 1983, and most of this is due for repayment during the current year. In view of the country's comfortable foreign exchange position, the Government intends to relax a number of currency-related restrictions, with effect from June 15. From that date, there will be no limit on the amount of foreign exchange which Norwegians can buy for tourist purposes (the present limit is Nkr 10,000 - some £917 - per person, per journey), although the banks must keep a record of such purchases as a check - among other things - on "black economy" transactions. Purchases of foreign exchange for investment in holiday homes abroad will no longer be subject to the present Nkr 400,000 ceiling, and an existing ban on borrowing abroad to finance foreign house purchases will be lifted. Norwegians will be allowed to invest as much as they like in foreign shares, and foreigners may invest in both quoted and unquoted Norwegian shares. Previously, they could buy only those quoted on the Oslo Bourse. To buy foreign exchange for direct investment abroad other than shipping, a Bank of Norway licence has been required, although over the last two years licences have been granted almost on demand. Now, the licensing arrangement is to be replaced by a system that will simply record these transactions. The Government is also considering an increase in the amount which Norwegian banks may lend, in kroner, to foreign customers, provided that the foreign exchange situation continued satisfactory. To do this, as a first step in this direction, the banks have been permitted to make some kroner loans to all companies operating on Norway's continental shelf. They are eager to expand this type of activity, but no change in the rules regarding kroner loans is expected until the autumn, when next year's budget is tabled, and with it the official economic forecast for 1985.

Growers turn increasingly to better quality and marketing, writes David Housego Passions rise as Midi wine earnings fall

JEAN HUILLET is a burly French winegrower from the south who wears his long hair in ringlets and flashes a stud in one ear. He claims to be able to mobilise a force of 3,000 winegrowers in 8-10 hours. With his spiky looks and powerful lungs, M Huillet is a well-known figure among the wine producers of the Midi as a leader of one of the semi-clandestine "action committees."

also brought them into direct confrontation with the police who arrested six winegrowers and drafted riot forces into Carcassonne as a deterrent against further violence. Many in France fear that the fresh flare-up in the South is part of a wider and more worrying trend. This is the apparently increasing readiness of interest groups from farmworkers to steel workers to resort to violence to defend their cor-

regional council, tells his advisers. Officials say that, though the demonstration by 6,000 winegrowers at Narbonne in February was the largest in the Midi for some years, its size was still well below the massive demonstrations of 10 or 20 years ago. Local opinion is also increasingly turning against the use of violence which is seen as damaging to a region attempt-

wine but more of better quality. In 1969-70 the French drank 6m hectolitres of higher quality "appellation contrôlée" wines and 41m hectolitres of table wines mostly from the Midi. They now drink 10m hectolitres of AC wines and 30m hectolitres of table wines. A great many winegrowers have thus seen their earnings slip below the French minimal wage. But M Francois Dubin, head of the Chamber of Agriculture in Montpellier, says that comparisons are difficult to make because of the large numbers of winegrowers who have second incomes. This year their earnings have fallen sharply because the 1983 wine crop was some 20 per cent down on the outstanding 1982 crop while prices have remained unchanged. The EEC has decided against financing exceptional distillation measures that would reduce the surplus by 5m hectolitres and provide winegrowers with over 80 per cent of the market prices. Worse still the EEC has withdrawn financial facilities that help the winegrowers cover the losses in the background is the entry of Spain and Portugal into the EEC will further flood the market. M Jean Huillet is one of these who believes that the Midi will not reverse the tide by indiscriminate violence. "An improvement in quality from now on, that is our only chance," he has been quietly telling his followers. The cooperative which he runs at Valrosa in the Hérault valley has for a long time been replanting, further improving the quality by strict control over wine making and by giving more attention to marketing. The Midi has traditionally produced the cheap red wine that once stood on every working Frenchman's table and was as much part of the popular image of France as the Basque beret and the long French loaf. Frenchmen now drink less

Bon Lul. He has been launched which is planning to sell light table wines in cans. It has brought in a marketing specialist from Perrier, the mineral water group, to help it to expand abroad. Along the slopes higher quality "appellation contrôlée" wines are being developed with names that are winning a growing reputation in Britain and elsewhere - Costieres du Gard, Minervois, Cotes de Roussillon and Cotes de Languedoc. At the same time many winegrowers have uprooted their vines to replant their land with fruit and vegetables. But both wine growers and farmers are finding that prices are inadequate to cover the cost of the large investments they have made. Ambitious young winegrowers, says M Dupin, have been strangled by the weight of debt. But the storm centre of the present unrest is where change has been least. This is in the dry plain between Béziers and Narbonne which still produces the low grade S-6 degree wine that needs to be blended with stronger Italian wines before it is fit to serve. This region made its fortune out of such wine in the prosperous years at the end of the last century when the development of rail transport opened up the French market. The growers are now so scrupulous on how they boost quantity. But buyers are few and the EEC is increasingly reluctant to subsidise the surplus. The area thus provides the action committees with many of their most militant members. The Socialists, who had backed the wine growers in their grievances before they came to power, are now advocates of change and restructuring. But they find it difficult to explain their shift in tack and expect to suffer the consequences in the European elections in June.

Local opinion is increasingly turning against the use of violence which is seen as damaging to a region attempting to establish a new image attractive to the sunbelt industries of tourism, high technology and the intensive cultivation of Mediterranean produce. For, although the remaining winegrowers weigh heavily in the politics of the area, they only account for 17 per cent of the wealth it generates.

paratist status against the inroads of recession and rationalisation. For the Socialist Party the unrest in the south also carries warning signals in that the Languedoc-Roussillon region has been a traditional bastion of the Left that voted more solidly for M. Mitterrand in the 1981 presidential election than any other region in France. "Our politics are the colour of our wine," says M Andre Cases, another winegrowers' leader for whom red has more than symbolic value. Worried at the potential erosion of Socialist party support, M Mitterrand saw a delegation of winegrowers from the Midi and is to visit the area early next year. In Montpellier, the capital of the Languedoc - Roussillon region the reaction to this year's disturbances has been more philosophical. "Passions rise and fall with the price of wine," M Robert Capdeville, the Socialist President of the

ing to establish a new image attractive to the sunbelt industries of tourism, high technology and the intensive cultivation of Mediterranean produce. For though the remaining 31,000 full time winegrowers who span the Aude and Hérault valleys and the department of the Gard - 70,000 if part-time growers are included as well - weigh heavily in the politics of the region, they only account for 17 per cent of the wealth it generates. The winegrowers' problem is that they have been doubly squeezed by changing European tastes in wine drinking and by increasing competition from other low cost wine growing regions, such as Spain, Italy, Chile and Australia. The Midi has traditionally produced the cheap red wine that once stood on every working Frenchman's table and was as much part of the popular image of France as the Basque beret and the long French loaf. Frenchmen now drink less

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Dutch government leaders square off over missiles

BY WALTER ELLIS IN AMSTERDAM

RELATIONS BETWEEN Mr Ruud Lubbers, the Dutch Prime Minister, and the man on whose political support his coalition government vitally depends have reached a dangerous low over the increasingly emotive issue of cruise missile deployment in the Netherlands. The centre-right cabinet is due to vote on the question before the end of June, but Mr Ed Nijpels, 54-year-old leader of the Liberal Party (VVD) with which Mr Lubbers's Christian Democrat Party (CDA) is in coalition, has irritated the premier by his refusal to consider compromises and by his seeming haste to reach a binding decision. Both he and Mr Nijpels were young enough not to suffer from loss of memory. Mr Lubbers remarked frostily to De Volkskrant, a leading Dutch newspaper. "The VVD refused to take ministerial responsibility for defence. They wanted to leave the problem to the CDA. Very well. Now let them do so." The Prime Minister has indirectly accused Mr Nijpels of leaking information about the so-called crisis variant, under which the Netherlands would prepare a site for cruise but accept the weapons themselves only when East-West confrontation seemed imminent. Mr Lubbers, it emerges, considers the variant a real option, but Mr Nijpels has dismissed it as unrealistic. Mr Lubbers has revealed that, as a result of the mounting pressures, the cabinet finds itself "in an extremely uncomfortable situation." The CDA is badly split on the issue, while the Liberals are strongly in favour of deployment. If no agreement is reached next month, both in cabinet and in Parliament, the Government will fall, leading to a general election, probably in the autumn.

Fraud losses to revenue estimated at Fl 35bn

BY OUR AMSTERDAM CORRESPONDENT

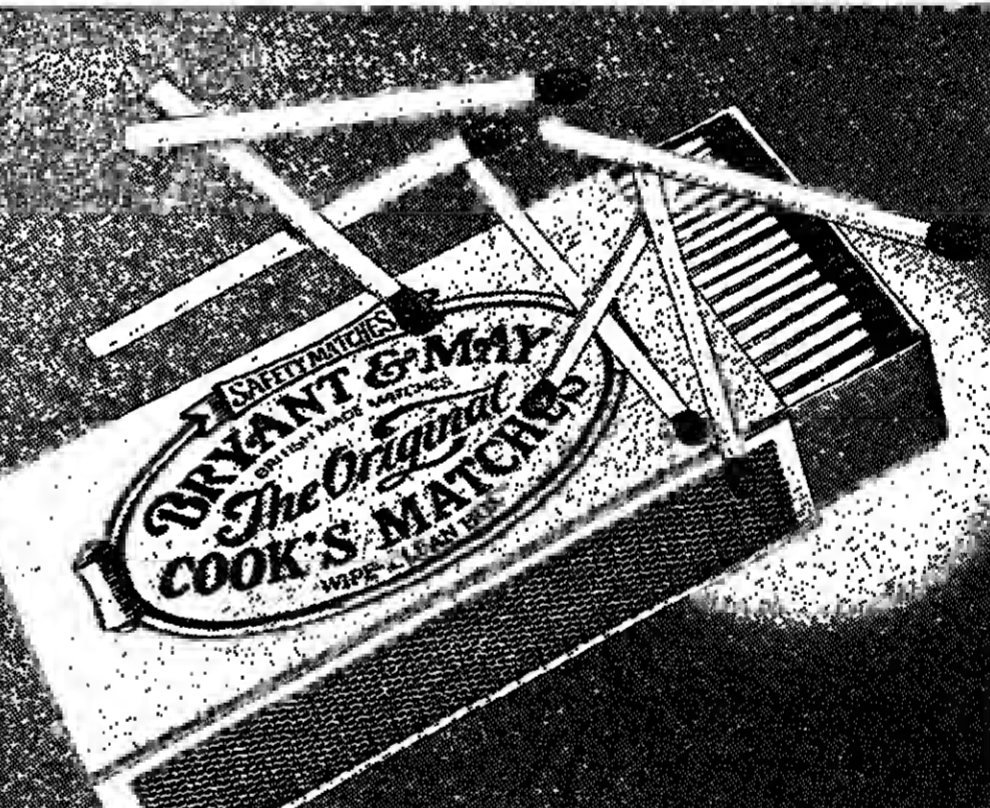
A CONFERENCE on criminology in Amsterdam has been told that the Dutch Treasury loses each year as much as Fl 35bn (\$8.14bn) as a result of tax evasion and social security fraud. In addition, some Fl 40bn more is lost annually through legal tax avoidance. Since the central government budget deficit last year amounted to some Fl 30bn, stricter supervision of tax collection and the closing of certain loopholes in the law would greatly lessen the Treasury's horrowing requirement. Against this, any large scale increase in tax revenues would inevitably have a depressive effect on consumer spending, which is only now beginning to recover in the Netherlands after several lean years. Mr Cees de Kam, a leading Dutch tax authority, in revealing the extent of the problem, called for tougher measures to tackle evasion.

Growers turn increasingly to better quality and marketing, writes David Housego

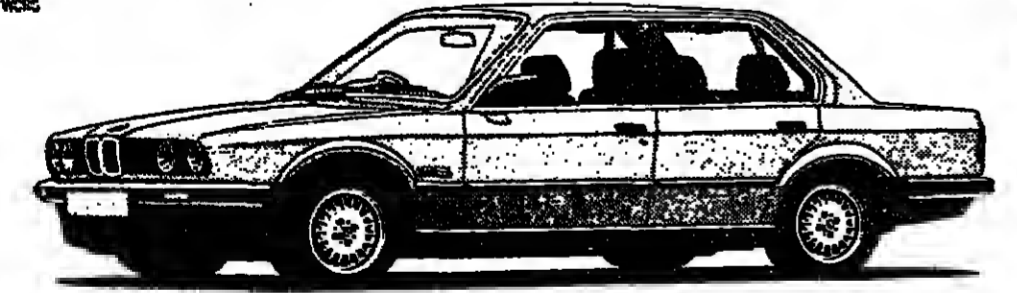
BY DAVID HOUSEGO

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AMERICAN NEWS

Spacelab—new frontiers of science

"WE WERE surprised at just how successful we were"—said one U.S. scientist summing up the maiden flight of Spacelab, the world's first reusable laboratory for doing experiments in space.

Preliminary results from last November's 10-day mission are appearing only slowly from the 70 or so teams of scientists that took part.

But already it is clear that the laboratory's maiden mission has yielded significant results in areas as diverse as the monitoring of the atmosphere for pollutants, the understanding of how humans adapt to the weightlessness of space and the development of biochemical catalysts and of hardware for nuclear-fusion reactions.

The scientific teams— from the U.S., Western Europe and Japan— meet in Capri, Italy, next month to provide the first detailed assessment of what they learned from the mission. The flight was a joint effort by the U.S. National Aeronautics and Space Administration, which provided the space shuttle inside which the laboratory journeyed through the heavens, and the European Space Agency, which developed Spacelab at a cost of \$750m.

As part of an agreement hatched in 1973, after the initial flight Spacelab remained the property of the U.S. Government which will rent it out on future missions to anyone who can afford the fee.

The first mission cost some \$350m including launch fees for the shuttle. But Nasa thinks

that in a few years the cost of a Spacelab flight could be brought down to about \$75m, assuming reduced shuttle charges and greater efficiency in operating the space laboratory.

Dr Michael Wiskerchen, Nasa's programme scientist for the first flight, said: "In almost every discipline represented on the flight, we set new frontiers in science."

Researchers are particularly pleased with the results from an array of instruments that

Peter Marsh on preliminary results from the maiden flight of the world's first re-usable laboratory for doing experiments in space

scanned the atmosphere as Spacelab encircled the earth at an altitude of 250 km.

The hardware made the first detailed measurements over the whole of the globe of trace gases found in the atmosphere between 40 km and 100 km above the earth. Before the flight, scientists had only a poor understanding of this part of the atmosphere.

Researchers obtained readings of gases such as ozone, carbon dioxide, methane and carbon monoxide. By repeating the experiments on later Spacelab flights, scientists may be able to keep track of gaseous pollutants and build up models for the ways in which the materials disperse naturally in the atmosphere.

Workers may also find they can monitor in detail variations

in the ozone layer. Any changes in this layer may affect life on earth as the gas acts as a barrier to harmful radiation from the sun.

In another study, scientists from the Massachusetts Institute of Technology and Nasa's Johnson Space Center in Houston investigated the behaviour in weightlessness of some of the six astronauts who took part in the Spacelab mission.

The researchers think they have finally discovered the reasons for the nausea, similar

to travel sickness on the ground and labelled space adaptation syndrome, that affects many astronauts during their first few days in orbit.

According to the scientists, space sickness is due to the erratic behaviour in space of the otolith, an organ inside the inner ear. By sending electrical signals along nerves to the brain, the otolith helps people to keep their balance and refrain from falling over.

Researchers monitored the signals passing from the otoliths of the Spacelab astronauts. They found that, in space, the otolith sends information which contradicts that provided by the eyes. As a result, the brain becomes thoroughly confused, producing the sickness.

The top elements of the body are thus fooled into thinking

degree to which they suffer from the nausea, depending on the way the otolith interacts with other parts of the body under normal conditions of gravity.

Researchers can quantify this interaction by monitoring signals to the otolith before astronauts take in space—in this way medical workers may be able to predict those who are most prone to sickness. If the otolith is sedated with drugs during flight, the nausea may be stopped altogether.

In other research related to astronauts' health, scientists tried to find out why people often come back from space suffering from anaemia. It appears that something happens under weightlessness to interfere with the production of red blood cells.

Workers think they have pinned this down to a hormone called erythropoiesis. Present naturally in the blood, this attacks cells. Production of the hormone is triggered when the body realises it has too much blood and wants to get rid of some of the fluid.

Scientists found that the blood streams of their human guinea pigs aboard Spacelab contained twice as much of this hormone as is normal. It appears this is because under zero gravity the upper reaches of people's bodies contain more blood than usual—on earth blood is concentrated toward the lower parts as a result of gravity.

The top elements of the body are thus fooled into thinking



Payload specialist Ulf Merbold—the first European to fly on the Shuttle

they have too much blood. This initiates extra production of the hormone, and the concentration of blood cells falls. On future flights, physicians may give astronauts drugs to ensure that the hormone does not over proliferate.

In another venture, scientists shot out into space beams of electrons and then collected them, with the metal parts of the space shuttle acting as a conductor for the electrons' return.

Surprisingly, they found that the energy of the beam increased by a factor of five. Researchers think it's electrons obtained the extra energy from the plasma, or "soup" of ionised

gases, that is present at the space shuttle's altitude some 250 km above the earth.

The plasma in space is similar to ionised gases that, in the decades to come, may feature inside nuclear-fusion reactors which could be an important source of energy.

With a camera produced in West Germany, Spacelab took thousands of pictures of the earth. The camera took shots 200 km sq, in which objects of dimensions as little as 20 metres can be picked out.

The U.S. plans a second Spacelab flight this November that will concentrate on materials science. Two more U.S. missions, in 1985, will

feature more observations of the atmosphere and experiments in plasma physics and astronomy. West Germany is paying for its own Spacelab mission, also planned for next year.

Thereafter, Nasa scientists want to fly Spacelab roughly once a year.

Meanwhile, scientists are still trying to sort out the mass of information on TV pictures and enough computer data to fill half a million average-length novels—that the first Spacelab sent to earth. Only after this job is finished, perhaps a year or so from now, will full results from the mission be available.

Exchanging reality for nostalgia 40 years on

By Stewart Fleming in Bretton Woods

"United Nations Monetary Conference 1944 United Kingdom. Lord John Maynard Keynes." reads the small brass plaque on the door of room 219 of the Mount Washington Hotel, Bretton Woods, New Hampshire.

It was here, 40 years ago that Mr Keynes and Mr Harry White, leading the U.S. delegation, helped to create the world monetary system for the post-war era, a system which, according to Mr Louis Rasminsky, a member of the Canadian delegation in 1944 underpinned "a period of prosperity greater than the world has ever seen."

Mr Rasminsky was one of four delegates from the first Bretton Woods conference who gathered here last weekend to review the monetary history of the past 40 years. The Bretton Woods system of fixed but adjustable exchange rates before it exploded in 1973.

In the eyes of some at least they were forced to survey the ruins of what Mr Keynes and Harry White created and instead contemplate a monetary non-system of destabilising capital flows, violently gyrating exchange rates and contending economic philosophies.

It is not just the presence of four original participants which contributed to the palpable nostalgia which hung over the fortieth anniversary conference.

With the headlines full of reports of soaring interest rates, the deepening monetary debt crisis and last week the unprecedented \$7.5bn bail out of Continental Illinois, a yearning for a more orderly and disciplined financial system prevailed.

The big men attending the meeting are realists, not romantics, who recognise that a return to the system which contributed so much to the stability of the 1950s and 1960s is not on the cards.

The big difference, in the eyes of Lord Roll is the intellectual climate. At the first Bretton Woods conference there were great differences of view on practical issues, but not on the intellectual foundation of macro-economic policy. "That is not an attitude we can have today," Lord Roll added. "The developing countries are very much at the centre of the stage."

The conviction that to some degree at least it is the intellectual preoccupation of the U.S. Treasury which is helping to block policy convergence was underlined by Mr Robert Roosa, a former treasury undersecretary for monetary affairs.

"I would like to think there is an arrangement which shamed the U.S. Treasury into doing a little more than they have been doing," he growled. But whether some form of exchange rate targeting, such as Mr Roosa advocates, could provide the discipline is hotly contested. Mr Jacob Frankel, dean of the University of Chicago, asked whether the exchange rate system creates the economic policy discipline or the policy discipline creates the exchange rate system.

According to Mr Rasminsky however discipline is not always everything it is cracked up to be. Recalling the late night drafting sessions at the Bretton Woods conference in 1944 shaped the International Monetary Fund's articles of association, Mr Rasminsky says his mind nostalgically back to those exciting nights when the delegates, tired of their efforts, were sent off to the Mount Washington hotel's blue room for an hour.

There, he said, they visually savoured the "delights of 'Conchita the Peruvian bomb shell, a Latin American belly dancer, whose contribution to post-war prosperity Mr Rasminsky claimed, has past unremarked for all these years."

Sr Duarte battles to win over Congress

By Reginald Dale in Washington

SR JOSE NAPOLEON DUARTE, President-elect of El Salvador, yesterday began a round of Washington appearances in which he will insist that he can tackle his country's "tremendous crisis" but only if assured of continuing U.S. support.

At the White House for talks with President Ronald Reagan, Sr Duarte said that as President he would try to "win the battle" for the minds of his countrymen, but admitted that it would be a "hard task."

Sr Duarte's main task in Washington is to convince Congress to approve Mr Reagan's request for \$62m in urgent military aid for El Salvador, on which the House of Representatives may vote later this week. In a television interview on Sunday, he said that his embattled army had only three months supply of ammunition.

Government forces were using 150,000 bullets a day, Sr Duarte said, a rate that seemed high to Washington military analysts. He suggested that it might be a good idea to build a munitions factory in El Salvador to assure the continuity of supply.

He insisted, however, that U.S. aid should not be accompanied with "unilateral conditions"—such as those that many Democrats would like to attach to U.S. military funds. His Government, he said, would stand up to its own responsibilities in confronting social problems, violence and the right-wing death squads.

Sr Duarte repeated that he had "no information" about reports that the Central Intelligence Agency (CIA) had channelled covert funds to his army to help him win the presidential election earlier this month.

Sr Duarte said, reports that the CIA had actually helped him, because the Salvadoran rightists had earlier said he was in the pay of the communists.

While his Christian Democrats had received no support "from anybody," Sr Duarte said, "you have to remember that we're fighting against an hegemony of power on the extreme right, who had millions of millions of money support from all over the world."

He reiterated his intention of setting up an independent presidential commission to investigate some of the more notorious death squad killings. He said that ending the violence was a first step towards opening a "dialogue" with the country's left-wing guerrillas, although he had no plan to offer them a role in government.

Mondale says he will win California and New Jersey

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

FORMER Vice President Walter Mondale has for the first time predicted that he will carry both California and New Jersey in the important closing round of Democratic presidential primaries on June 5.

Mr Mondale was particularly confident about New Jersey, but recent opinion polls have also shown him drawing even with Senator Garry Hart in California, generally considered Hart territory.

Mr Mondale added that he also expected to do well in the other three primaries on final Tuesday, in New Mexico, South Dakota and West Virginia, but was less sanguine than he once was about being able to lock up the Democratic presidential nomination by the end of voting

that day. He said he believed "I'll have the delegates I need by the time the convention opens (on June 16)."

Latest unofficial figures yesterday showed Mr Mondale 380 short of the 1,987 delegates needed to win the nomination at the San Francisco convention with a total of 1,567. Senator Hart, his main rival, had 919, while the Rev Jesse Jackson, the third remaining candidate had 294, and 334 were uncommitted. Both Mr Mondale and Mr Hart are now making heavy plays for the uncommitted delegates.

Mr Mondale made it clear that he would strongly resist efforts by Mr Hart and Mr Jackson to reallocate delegates already elected.

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Advertisement for Mercury Americall featuring a man in a suit sitting at a desk with a city skyline background. The text describes the service as a major breakthrough in transatlantic communications, offering instant, secure, and flexible communications in a world where minutes can mean millions. It highlights the custom-built connection between London and New York and lists various services like ultra-rapid connections, total flexibility, and tailored tariff packages. Contact information for Derrick Masters is provided.

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WORLD TRADE NEWS

U.S. curbs on Soviet trade upset Finns

By Our Trade Staff
 FINLAND'S electronics industry is worried about the consequences of renewed American efforts to crack down on trade in high technology products with the Soviet Union and its allies.
 Mr Timo Relander, the new managing director of the Confederation of Finnish Industries, said in London yesterday that the industry, which was highly dependent on supplies from the U.S., had been discussing the question recently.
 "We are a little bit afraid of what will happen in the future," he said. But he emphasised that Finland had not been subject to any special pressure.
 Following the recent seizure of computers illegally bound for the Soviet Union, the U.S. Administration had stepped up surveillance of the Nordic countries and other suspected staging posts such as Austria and Switzerland. The Pentagon has been given authority to review export licence applications for sales to some of these countries.
 Finland has long had closer trade ties with the Soviet Union than any other European country outside Comecon. About a quarter of its exports are to the USSR. But this trade is declining relative to trade with Western Europe, partly because Finland feels it has reached its capacity to absorb reciprocal Soviet sales of oil and other raw materials.
 David Brown adds from Stockholm: The Swedish Foreign Ministry has ordered a cargo of advanced American-made electronic equipment — discovered and impounded early this year while being smuggled to the East bloc — to be sent out of the country.
 The equipment, which has been declared by the Government to be "war material," is now being shipped to an unspecified company in France which originally delivered it to a Swedish company in January. Moments before its scheduled departure last Friday, the consignment was unexpectedly off-loaded from a French truck and subject to a final verification by customs authorities.
 The cargo is thought to include computer/optical devices needed to build advanced integrated circuits.

Japanese increase diesel car sales to Western Europe

By KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
 JAPANESE MANUFACTURERS have increased substantially the number of diesel cars they send to Western Europe, according to an analysis by Chase Econometrics, the London-based industry information consultants.
 Faced with restrictions on the volume of cars they can send to many European markets, the Japanese have been trying to push up the value per vehicle. Diesel cars cost more than those with petrol engines.
 The Japanese already produce about half the world's small diesel engines, not only those for cars but also those for marine, agricultural and industrial applications.
 Chase Econometrics says: "The technology of the latest Japanese diesels is highly advanced, with electronically controlled fuel injection and turbo power much in evidence."
 Chase Econometrics has built up a detailed database of car sales statistics in Europe, known as EPV. It compiles statistics for each country as soon as they are officially available.
 The statistics show, for example, that in Belgium where the Japanese have built up a market share of about 23 per cent, the proportion of Japanese cars sold with diesel engines has been increasing even faster.
 Nissan's diesel car sales have jumped from 20 per cent to 40 per cent of the company's total between the last quarter of 1982 and the same period of 1983.
 One in four of the Toyota cars sold in Belgium is now diesel powered, against 13 per cent in 1982.
 "French and West German car makers will be watching the Japanese progress carefully," Chase says.
 Volkswagen of West Germany is the leading diesel car producer in Europe and sold over 1m diesel versions of the Golf between 1978 and 1983.
 Peugeot depends on diesels for 50 per cent of its sales in Belgium and has much to lose from the Japanese build-up in that market.
 Ford of Europe has only recently entered the small diesel car business with the production of a 1.6 litre diesel at its Dagenham plant in the UK for fitting to the Fiesta and Escort models. Over £100m (\$138m) was spent by Ford to put the engine into production.

Brock says U.S. buying more Third World goods

By Peter Moutzgon in St. Gallen, Switzerland
 U.S. IMPORTS of manufactured goods from developing countries should rise to about \$60bn this year, nearly twice what the whole industrialised world spends on overseas aid, Mr William Brock, President Reagan's chief trade adviser said here yesterday.
 This is a sharp increase on the \$36bn spent by the U.S. on developing countries' goods in 1982 which was still half the manufactured exports of those countries, he said.
 An end to trade restrictions was essential if developing countries were to be able to repay their debts.
 "It is an act of insanity to say to a debtor country that it can pay its debts if we don't buy its product," he told an economic seminar organised by the St Gallen Graduate School.
 Mr Brock singled out Japan for discriminatory trade practices. It was only taking 10 per cent of developing country exports. "That can and must be improved," he said.
 Increased flows of direct investment and portfolio designed to improve capital formation were also needed.

Saudia, Boeing in talks over large order

By Michael Donne, Aerospace Correspondent
 SAUDIA, THE Saudi Arabian airline, is understood to be negotiating with Boeing, of the U.S., for a major purchase of Boeing 747-300 "stretched upper deck" jumbo jets.
 The numbers of aircraft involved are not disclosed, but one report has suggested that Saudia may be interested in as many as 10 aircraft, worth over \$1bn.
 The airline currently has a long-haul fleet primarily consisting of some 11 jumbo jets and 17 Lockheed TriStar. Many of the latter have been in service for some time, and will need replacing in the last half of this decade.
 "Saudia is believed to be discussing deliveries from 1985 onwards."
 The stretched upper-deck jumbos would have a seating capacity of 392 passengers, and they would be used on routes to Europe, North America and the Far East.

Swiss exports of chemicals surge ahead

By John Wicks in Zurich
 EXPORTS OF the Swiss chemical industry have been growing rapidly this year so far, according to a report issued by the trade association SGGI in Zurich. In the first quarter, foreign sales went up by as much as 14.4 per cent to some SwFr 3.21bn (£1,020m). At the same time, chemical imports — many of which are further processed by Swiss companies — rose at a rate of 14.9 per cent to SwFr 1.95bn.
 The sharp growth in exports is due not only to the overall improvement in the world economy but also to the lifting of crop-acreage restrictions in the United States. Largely as a result of this change in American agricultural policy, Swiss exports of agro-chemicals jumped by 55.5 per cent in the first three months to SwFr 289.8m.
 The SGGI annual report says that last year turned out better than had been expected: a 4.8 per cent rise in industry turnover arose largely from an increase in chemical exports by 3.8 per cent to just over SwFr 11.5bn.
 However, the association expresses considerable concern at the balance-of-payments difficulties of a number of important customer nations.

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Dividend for the year 1983.

At the Annual General Meeting of Shareholders, held on 21st May 1984, the dividend for the financial year of 1983 was agreed at f 7.75 in cash per ordinary share of f 25.- par. This dividend is the quider equivalent of US\$ 2.50.

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The Management Board.
 Amsterdam, May 22, 1984.

The Board of Management of Akzo N.V. announces that on May 21st, 1984 the results for the first quarter of 1984 were published. Copies of this quarterly report may be obtained from the London Paying Agents:

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Akzo Arnhem, May 22nd, 1984

Channon begins Moscow talks

Mr Paul Channon, Britain's Trade Minister, and his Soviet counterpart, Mr Nikolai Patolichev, yesterday began talks aimed at increasing trade in machinery for the consumer goods, machinery and paper industries, the Tass news agency, said, AP reports from Moscow.
 Mr Channon arrived Saturday on a seven-day visit leading a delegation that meets with Soviet trade representatives each year.
 Britain had a trade deficit with the Soviet Union last year of £475m, compared with £52m in 1982.
 Western diplomats said Channon would ask Moscow to buy more British goods, particularly machinery, to help ease the deficit.

Ozal flies to Libya

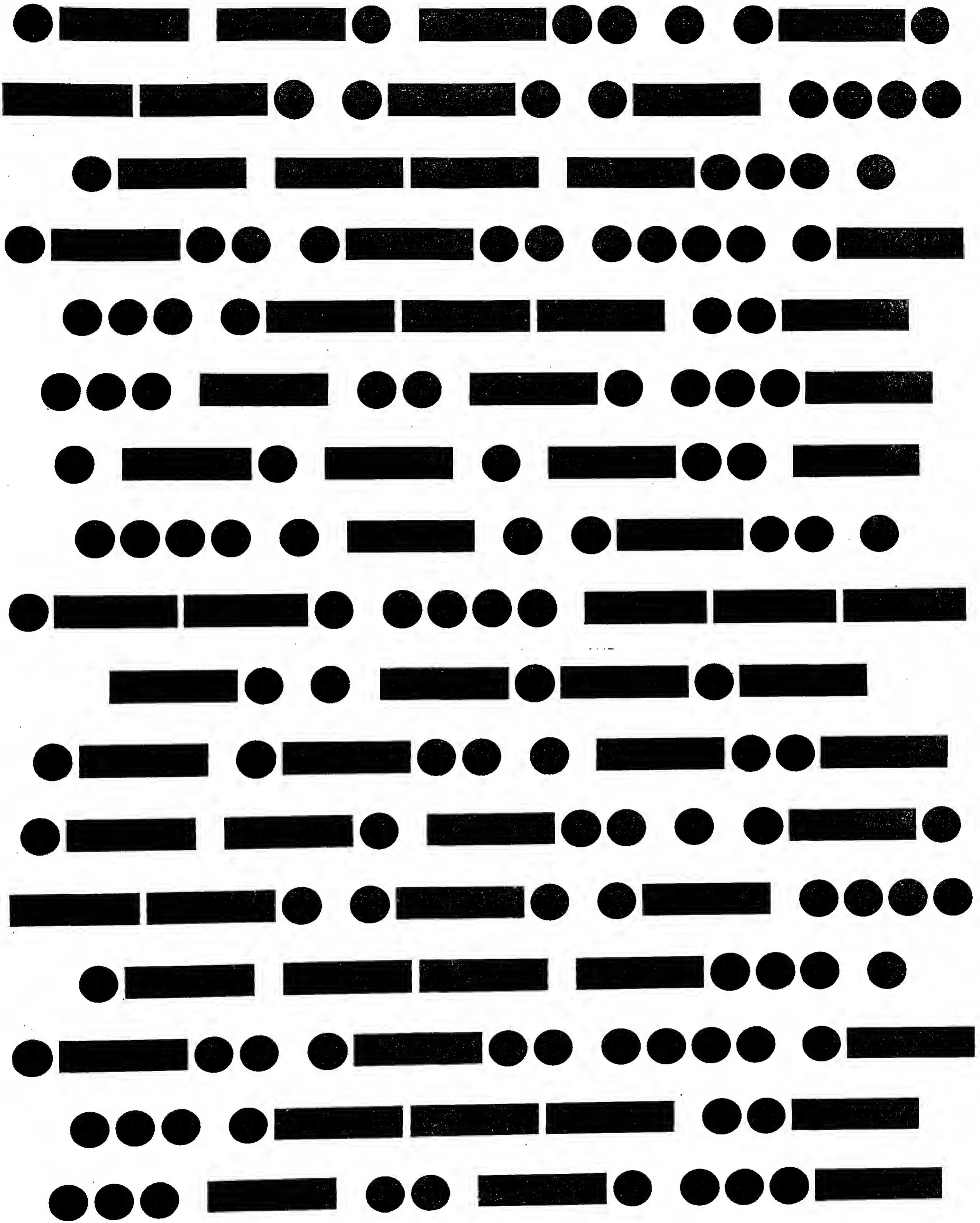
Mr Turgut Ozal, the Turkish prime minister, flew to Libya, yesterday evening at the start of a three-day official visit to boost Turkish exports and resolve problems over a \$700m payments backlog to Turkish contracting companies working in the country, David Barchard reports from Ankara.

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UK NEWS

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Pit dispute contributes to economic slowdown

BY PHILIP STEPHENS

BRITAIN'S ECONOMIC recovery slowed in the first three months of this year as the fall in consumer spending and the miners' strike hit output of goods and services.

The Central Statistical Office (CSO) said yesterday that the output measure of gross domestic product grew by only 0.2 per cent in the first quarter of 1984 to give a provisional index value of 103.5 (1980 = 100).

The almost flat performance contrasted with revised figures showing that between the third and fourth quarters of last year the index jumped by nearly 0.9 per cent. Between 1982 and 1983 as a whole the rise was 2.4 per cent.

The figures were below most City of London expectations but not entirely surprising in view of earlier data showing that the recovery in industrial output stalled earlier this year.

At the same time a 1 per cent fall in consumer spending in the first quarter was reflected in a slight drop in distribution output.

The impact of the miners' strike was felt in the energy sector where a fall in production offset some increases in other industries, the CSO said.

Dr Paul Neild, chief economist at broker Phillips & Drew, calculated that the strike had reduced the index by around 0.25 percentage points over the three month period.

Despite some disappointment with the figures, however, most analysts still believe that the economy is on target to achieve real growth of around 3 per cent this year.

Recent statistics have shown a strong pick-up in consumer spending since the end of March, while exports and investment are also showing strong signs of recovery.

The output measure of GDP traditionally grows less fast than the average measure on which the Government bases its economic forecasts. This includes data on incomes and expenditure as well as output.

Seamen to strike over privatisation

BY OUR LABOUR STAFF

THE NATIONAL Union of Seamen (NUS) is to stage a 48-hour strike in protest over the privatisation of the Sealink ferry service.

No date has been set for the strike, but Mr Jim Slater, the NUS general secretary, said it would take place mid-week, probably next

month, to avoid inconveniencing holidaymakers.

Mr Slater said: "We want to get the support of the public. We are determined to keep Sealink in the hands of the public and the taxpayer. This is intended as a warning shot as far as the NUS executive is concerned."

The strike is expected to affect all sailings to the European Continent and to Ireland.

In his opening address to the NUS conference, Mr Slater said that the Trade Union Congress must wake up to what the Government was doing to workers in the public sector.

Coal strike peace attempt founders on eve of joint talks

BY DAVID BRINDLE, LABOUR STAFF

A MOVE to bring together the National Coal Board (NCB) and the National Union of Mineworkers (NUM) for talks on the 10-week coal strike failed at the last hurdle yesterday.

Arrangements had been made secretly through an intermediary for a meeting today at a London hotel. But the move foundered on the question of preconditions for negotiation.

Mr Ian MacGregor, chairman of the NCB, said: "We were asked by an intermediary, who had held discussions with both sides, whether we would be prepared to meet the leaders of the NUM without precommitment on either side."

"The NCB agreed and arrangements were made for a meeting tomorrow morning. We understood from the intermediary that the NUM could not give an assurance that they would withdraw their previous conditions."

Mr Arthur Scargill, president of the NUM, said the NUM had told the intermediary that the union was willing to meet at any time with the board to discuss the future of the mining industry, but was not willing to negotiate pit closures or job losses.

The coal board's plans for the closure of about 20 pits with the loss of an estimated 20,000 jobs led to the strike.

Mr Scargill said: "The coal board's decision to pull out of tomorrow's talks should show not only mineworkers, but the British public as a whole, that the culprit responsible for this dispute, which is costing taxpayers £25m a day, is

that butcher of British industry, Mr Ian MacGregor."

Mr MacGregor said it was untrue that the NCB had refused to attend the talks. "We were willing to have discussions without preconditions. We remain willing to do so - at any time."

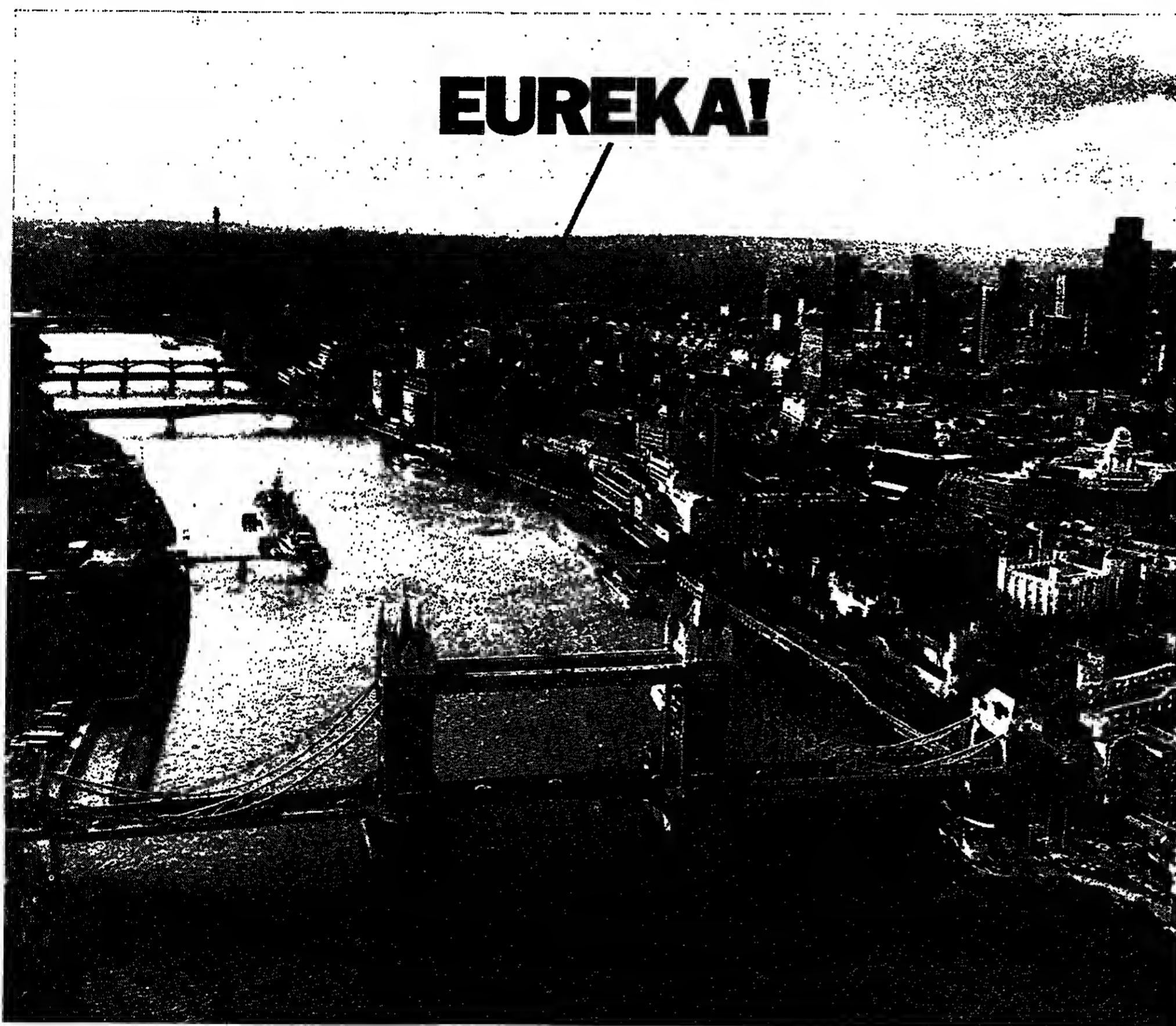
News of the breakdown of the initiative overshadowed the efforts yesterday of Mr Stan Orme, the Labour Party's energy spokesman, to bring both sides to the negotiating table. Mr Orme said he had no magic formula for an end to the dispute, but hoped he could still be the catalyst for the start of talks.

Mr MacGregor, who did not appear enthusiastic about Mr Orme's endeavours, said: "Mr Scargill doesn't need any intermediaries. He can come here any time, provided he doesn't try to tell us what to decide before we meet."

Miners who have continued to work in Lancashire in north-west England are to be suspended from union membership for five years, their NUM area executive decided yesterday. About 1,000 miners are likely to be affected by the suspension.

Mr Sid Vincent, area general secretary of the NUM, said: "We view it as a very serious offence to disobey a national instruction and a conference decision for a strike. We hope it might bring them round to our way of thinking. The fight we are fighting is their fight as well."

The Lancashire miners originally voted two to one against a strike in a coalfield ballot. But after the area public as a whole, that the culprit responsible for this dispute, which is costing taxpayers £25m a day, is executive declared the strike official.



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This is 1984, and if you're busy learning this,
you're making exactly the same mistake.
Stop learning how to become a machine. Apple has just invented Macintosh.





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This year Nomura celebrates in the Square Mile. We look

THE FUTURE

1984

1981

1973

1970

1964

Nomura Securities initiates operations in London with the establishment of a representative office. We established our international base the very first year after our founding with the opening of an office in New York. Following this, Nomura continued during the 1950s and 1960s in the active expansion of its sales network with the opening of offices in Europe and Asia. The opening of our London office signaled the first step in Nomura's advance into the European market.

Nomura upgrades the London representative office to branch status. This development was in response to six years of successful growth in operations as well as changes in investment demand. The major purpose of the change was to enable Nomura to place more emphasis on sales activities. At the time the European financial markets were in the midst of very rapid growth with direct procurement and accumulation of capital from the United States as well as Eurodollars and oil dollars. Against this backdrop, Nomura went on to show enviable growth.

Nomura reorganises the London and Amsterdam branches into a new company, Nomura Europe N.V. with the head office in Amsterdam and its branch in London. Nomura Europe was the first company incorporated in Europe by Nomura, and its establishment represents an epoch-making accomplishment in Nomura's London history. As is well-known, the intricate European market is the most international and liberalised of the world's financial markets. Nomura however had been forced to restrict its activities in Europe because the company was governed by Japanese laws which prohibited companies from combining securities and banking activities. But with the establishment of Nomura Europe, we realised our first opportunity to undertake activities which took full advantage of the merits of the European market. At this time, through the addition of merchant banking functions, Nomura was able to embark on the road to becoming a full financial services company.

Nomura establishes a full registered company, Nomura International Limited, in order to expand its operations in Europe and to meet growing demand for the whole range of financial services including both securities and bank. Among the many activities of Nomura is our complete securities service which includes brokerage and firm of both Japanese and international securities, underwriting of international securities and investment consulting services. Nomura is organized into divisions assigned to various areas, such as stocks, bonds, financial services, and real estate issues. Each division has a team of experts ready to serve clients. For example, each member of the investment consulting division has had between five and ten years experience in handling accounts in Japan before moving to London, and each thus brings with him an expertise in investment analysis. These account executives provide investors in Europe with the most up-to-date and accurate information well as analysis of the Japanese market. Nomura's success in Europe has been gained from the high quality of its national and international securities and the professional, timely, and accurate information it provides to its clients. This information has led to a steady, long-term growth.

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ty successful years of steady growth in the City. For us, this year is a proud milestone
ward to many more years of providing even better service to our friends and clients.

The 1980s have brought impressive changes in the demand picture for international investment. In a phrase, the changes have been toward diversification in international investment. Reflecting the stagnation in the economies of the European countries, there has been a mounting interest among European investors to seek opportunities in countries outside of Europe with the most advanced technology, in venture businesses of the United States, and in the developing countries of Pacific Basin. Japan, in particular, with its reputation for economic stability, has been the focus of investor demand. In 1980 alone, over 10 billion dollars in new fund money found its way into the Japanese stocks and bonds markets. The changing patterns of investment and the internationalisation of the Japanese market have made Nomura's role in Europe increasingly important. Standing behind Nomura's activity and supporting it at all times is the Nomura Group of companies around Nomura Securities. The Group is made up of ten companies in Japan and offices in twenty countries around the world. In 1980, the Group had a total capitalisation of over 1.6 billion dollars and more than 10,000 employees. Nomura Securities, at the centre of the group, is the largest securities firm in Japan. In 1983, it had gross sales of ¥290 billion, posting operating profits of ¥110 billion. Nomura Securities has grown to become a major financial services organisation, on a par with the largest in the world. Sales figures for 1980 show that on the Tokyo Stock Exchange, the world's second largest, Nomura Securities was responsible for 18% (¥6,568 billion) of total volume (¥36,490 billion) for stocks, and 27% (¥1,048 billion) of the total (¥3,874 billion) for domestic bonds. Domestically in Japan, in addition to its predominance in brokerage, trading, underwriting, and the investment banking businesses, the company was by far and away the top performer in the area of investment counseling. For a financial services company to ensure the increase of its sales strength in today's world, it must have at its disposal both superior capabilities in investigation and analysis, as well as a communications network to utilise those capabilities. In the Nomura

Group today, there are three major organisations which specialise in research, development, and the provision of information. They are the Nomura Research Institute, Nomura Computer System Co., Ltd., and Nomura Investment Management Co., Ltd. Since its inception, Nomura has consistently placed research and analysis alongside internationalisation as pillars of its management operations.

Nomura Research Institute (NRI) was established in 1965 as part of this management policy to specialise in serving the group's research and analysis needs. With a staff of now over 500, Nomura Research Institute is recognised domestically and throughout the world as Japan's most authoritative think tank carrying out research and analysis not only in economics, but also in other fields in the social, natural, and life sciences. Nomura also has a sterling record in the area of investment management. First under the charge of Nomura Securities and NRI, the work of this area of our business was consolidated into a new company, Nomura Investment Management (NIMCO). Founded in 1981, Nomura Investment Management has the support of the Nomura Group's strong capabilities in research and analysis in carrying out its mission to keep a watchful eye on economic trends in different countries and provide institutional and individual investors with even more accurate forecasting of investment opportunities. In addition, with specialists assigned to specific investment areas such as portfolio management, Nomura is able to provide information services on the latest market trends and counseling in investment strategy.

In order to make the most effective use of information obtained through its research and analysis activities, Nomura began early in its efforts to develop an information system. As part of these efforts, Nomura Computer Services was established in 1966 to take responsibility for the data processing and software development needs of the Nomura Group. Since then, Nomura Computer Systems has worked together with Nomura Securities to develop the most advanced computer systems of the day and has contributed much to both the growth of the Nomura Group's information capabilities and to the improvement in our level of services to clients. Nomura has thus gathered together a strong pool of business acumen with capabilities in investigation, analysis, and information from which to draw upon in our sales efforts, and a network which spans the world. It has become a truly international, full-service financial services company.

In the twenty years since the opening of our London office, Nomura has always directed its efforts towards serving the needs of its investor clients, providing a wide range of research, investment advice, and other investment services. Building on its experience, Nomura's goal is to take further steps to contribute to the international investment community. To that end, Nomura has defined its direction to demonstrate thoroughly the pioneering spirit which, as the guiding policy since its founding, has led its rise to success.

Nomura's international prowess will be in even greater demand in the present world where international investment is becoming increasingly more diversified, and where we can expect growing interest by international investors in the Japanese market. Nomura has already made major contributions as a pioneer in the internationalisation of Japan's capital markets since the Second World War. Since 1970, when Nomura was the major partner in arranging the first post-war foreign bond issue by the Asian Development Bank, Nomura has managed over 150 foreign bond offerings. Again, in 1973, Nomura handled the arrangements for listing Dow Chemical on the Tokyo Stock Exchange, and since then it has held the initiative in listing non-Japanese company stocks on the Tokyo Stock Exchange. At the same time, Nomura has been a leader in supporting efforts of Japanese firms to procure capital in foreign markets. In 1961, Nomura was the underwriter for the Sony Corporation's ADR issue, the first by a Japanese firm. A year later, Nomura underwrote the foreign convertible debenture issue for Mitsubishi Heavy Industries, the first such borrowing by a Japanese firm.

With this record of accomplishment, Nomura plans to promote actively the internationalisation of the Japanese investment market. The company is able to provide services for stocks whether or not they are listed on the Tokyo Exchange, and because the company handles nearly one third of the volume traded in Japan, it is in a unique position to serve fully the needs of the international investor interested in the Japanese market.

Nomura's complete information services also provide important assistance to non-Japanese organisations and enterprises which are interested in capital procurement opportunities on the capital markets of Japan. In Europe, Nomura acts as a banker, and it is moving to further these functions in various lending arrangements to become a full-scale merchant bank as well.

Nomura is prepared to commit major resources and capabilities to the development of venture businesses. The company has developed excellent capabilities in research and analysis for venture businesses, and has built up a very successful record. The company is interested in developing further this area of business and to that end has brought its pioneering policy of being first to the service of product development. For example, the medium-term government bonds developed by Nomura combine high liquidity with high interest return on investment. This new savings method has resulted in a very large increase in the number of individuals whom Nomura serves. Nomura's strength in this area is evi-

denced by the nearly 31% share of the \$128 billion worth of medium-term bonds issued in 1982. Another financial instrument, the GENSAKI (bonds transacted on the condition that they be bought or sold after a specified period), have had a major impact on the development of the short-term financial markets in Japan. Their volume grew more than threefold between 1975 and 1980, to a level of approximately ¥5 trillion. Nomura's GENSAKI account for 27% of this volume.

Nomura plans to continue to concentrate on the development of new products. It almost goes without saying that the success the company has enjoyed in the past has been due largely to Nomura's superior capabilities in analysis and forecasting of market trends and investment demand. In this area as well, Nomura has always been well ahead of the competition, laying the groundwork and developing the market through such innovative activities as the establishment of the Nomura Research Institute as an organisation specifically charged with responsibility for investigation and analysis. Nomura has invested large resources and labor in the development of its information systems so that it may use to maximum efficiency the data base created by the research and analysis activities of all members of the Nomura Group. In 1953, Nomura was the first private company in Japan to install a computer, and in 1970 Japan's first computerised online system was developed by Nomura Securities and Nomura Computer Systems.

Today Nomura has four information systems: CUSTOM, COSMOS, COMPASS, and CAPITAL. Among these, investors have shown special interest and excitement in the CAPITAL system. CAPITAL is an investment information system made up of eight services: executive information, information on the economic and financial environment, foreign exchange information, finance, public corporation bond information, bond simulation, analysis of the assets of financial institutions, and information on stocks. These information services are updated every morning, and users are able to obtain information freely via dedicated terminals installed in their own offices. In 1983, Nomura installed CAPITAL to link Tokyo, New York, London, and Hong Kong and offer English language investment information services to investors throughout the world. Through this system, users across the globe now have the same service as those in Japan in having real time access to the latest information on the Japanese market. With the CAPITAL service, it is now possible for foreign investors and Nomura to jointly carry out portfolio analysis and portfolio management through terminals installed in the investor's own office. Nomura plans further improvements in the CAPITAL online information network, and will upgrade its financial services through the scheduled launch in 1985 of an online service outside of Japan which will link the banking and securities functions of Nomura.

In order to expand further its operations overseas, Nomura will be increasing local employment in each office, and will be looking for executives with the right qualifications to fill director positions. Nomura has always believed that people are the cornerstone of the firm, and is convinced that the nurturing of its staff from many nations lies at the core of Nomura's future of strong growth internationally. Nomura will strive to achieve the goals outlined here, and fulfill its obligations as an international, full-service, financial institution.

NOMURA
NOMURA INTERNATIONAL LIMITED
3 Gracechurch Street, London EC3V 0AD,
England. Tel: (01)283-8811
NOMURA EUROPE N.V. (Amsterdam)
NOMURA EUROPE GmbH (Frankfurt am Main)
NOMURA (SWITZERLAND) LTD. (Geneva, Zürich)
NOMURA FRANCE (Paris)
NOMURA INVESTMENT BANKING (MIDDLE EAST) E.C.
(Bahrain)
THE NOMURA SECURITIES CO., LTD., BRUSSELS
REPRESENTATIVE OFFICE

THE NOMURA SECURITIES CO., LTD., TOKYO HEAD
OFFICE: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 105, Japan Tel:
(03)211-1811, 3811
WORLD WIDE NETWORK: London, Zürich, Geneva, Paris,
New York, Hongkong, Singapore and 21 others



Notice of Redemption

Dow Corning Overseas Capital Company N.V. 8 1/2 PER CENT. GUARANTEED DEBENTURES DUE 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 15, 1971 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn for redemption on June 15, 1984 through the operation of the Mandatory Redemption Provision of the said Indenture, \$2,118,000 principal amount of Debentures of the said issue, bearing the following distinctive numbers:

Table with columns for Coupon Debentures of \$1,000 Principal Amount, listing numbers from 1539 3865 to 3064 4963.

The Debentures specified above are to be redeemed for the said Mandatory Redemption at the Broker Services Department of Citibank, N.A., 111 Wall Street - 5th Floor, New York, New York 10038, and the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (City Office), Milan, Paris, Citibank (Belgium) S.A., Brussels, or Banque Internationale a Luxembourg, Luxembourg, as the Company's paying agents, and will become due and payable on June 15, 1984 at the redemption price of 100 per cent. of the principal amount thereof. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. If such coupons are not attached payment will be made only upon the delivery to the Paying Agent of funds in the amount of the unmaturing missing coupons. The coupons due June 15, 1984 should be presented for payment in the usual manner.

For DOW CORNING OVERSEAS CAPITAL COMPANY N.V. By CITIBANK, N.A. Trustee

May 15, 1984

Factory area: 528% increase over 6 years. "We could not have done it without the Corporation's help" - The Lines Managing Director, Joseph R Lines & Sons Limited.

Is your business on the right lines? Turnover: 186% increase over 5 years. "I doubt whether we could have set up and expanded without the Corporation's flexible attitude." - Bernard Slater, Managing Director, Slater Rendell Limited.

Maybe the reason the successful businessmen above wrote their lines was because they liked the way we do business - on very different lines from anyone else. If you'd like to know how Redditch can help your business succeed, phone Jayne Gannon on Redditch (0527) 64200. A lot of successful businessmen are glad they did.

Form for Redditch contact: Post to: Bernard Ryan, Property Director, Redditch Development Corporation, Holmwood, Plymouth Road North, Redditch, Worcestershire. Telex Redlaw G, 335201. Please arrange for me to have: a sales presentation on Redditch (format required), a fact file, a visit to Redditch. Name, Position, Company, Address, Postcode, Telephone.

General Accident

THREE-MONTHS' RESULTS

The results for the three months ended 31st March 1984, estimated and subject to audit, are compared below with those for the similar period in 1983, which are restated at 31st December 1983 rates of exchange; also shown are the actual results for the full year 1983.

It must be emphasised that the results for an interim period do not necessarily provide a reliable indication of those for the full year.

Table comparing 3 Months to 31.3.84, 3 Months to 31.3.83, and Actual Year 1983. Categories include Net written premiums, Investment income, Underwriting result, Long Term Insurance Profit, Loan Interest, Profit/(Loss) before tax, Taxation, Dividend, and Net Profit/(Loss) attributable to Shareholders.

Net written premiums and investment income increased in sterling terms by 8.2% and 15.9% respectively. Adjusted to exclude the effects of currency fluctuations the increases were 7.4% and 13.1% respectively.

The first quarter result has been dominated by January weather losses costing £18m in the United Kingdom and by a deterioration of £14m in U.S. commercial lines underwriting results.

In the United Kingdom, net written premiums were £125.5m (1983 £125.3m) and there was an underwriting loss of £31.1m (1983 £19.3m loss). The Motor account, influenced by last year's rate increase, produced an underwriting loss sharply reduced at £1.9m (1983 £3.1m loss) but the impact of the weather on the Homeowners and Commercial Property accounts gave rise to losses of £12.6m (1983 £3.7m loss) and £12.8m (1983 £5.4m loss) respectively. Experience in the Liability classes remains substantially adverse.

In the United States, net written premiums were \$213.6m (1983 \$193.3m) and the operating ratio was 119.53% as compared with 109.84% for the same period last year. On the United Kingdom accounting basis, the underwriting loss was £28.5m (1983 £13.8m loss). Weather losses in the period were not significant and personal lines experience showed some modest improvement. Commercial lines, however, were affected by an exceptionally high level of claims incidence and, compounded with ongoing rate inadequacy, produced an operating ratio for these lines which showed a deterioration of fully 28 points.

Elsewhere there were aggregate underwriting losses of £12.2m (1983 £6.8m loss). The deterioration was attributable to a loss of £4.9m in Canada after a modest profit at this stage last year. E.E.C. territories showed little change in the aggregate with a loss of £4.7m, of which £1m arose from severe weather claims. Australia showed improvement although producing an underwriting loss, but London market experience remains very adverse. New annual premiums for Life business in the United Kingdom in the 1st quarter of 1984 were £9.1m, an increase of 55% over 1983, while single premiums increased by 153% to £14.4m.

17th May 1984

General Accident Fire & Life Assurance Corporation plc

World Headquarters: Pitheavlis, Perth, Scotland PH2 0NH.

FT CONFERENCE ON THE ELECTRONIC OFFICE THRESHOLD OF A NEW ERA

This high-level meeting focusing on the great changes taking place in the professional office will be held at the London Hotel Inter. Continental on 5 & 6 June 1984.

- Topics and speakers include: 'The Justification of Technology Investments for the Electronic Office' - Mr Paul Strassmann, Vice President Systems Group, Rank Xerox Corporation. 'What are the Options for Users?' - Mr John Lenton, Division Vice President, American Express Europe Ltd. 'The Computer as the Key to Office Automation' - Mr James Bair, Hewlett-Packard Business Development Group. 'The Telecommunications Supplier's Viewpoint' - Mr Ian MacLean, Chief Executive, Plessey Office Systems Ltd.

For further details please contact: The Financial Times Limited, Conference Organisation, Minster House, Arthur Street, London EC4R 9AX. Tel: 01-621 1355 (24 hr answering service). Telex: 27347 FTCONF G. Cables: FINCONF LONDON

UK NEWS

Groups fail to agree terms for launching British dishwasher

BY CARLA RAPOPORT

AN ATTEMPT TO break the importers' grip on the British market for dishwashers has run into trouble.

Five leading UK appliance makers have failed to agree on a plan to form a consortium to make the first all-British dishwasher. The only machines available in Britain at present are imported.

One of the five companies, Servis, has withdrawn from talks after eight months of fruitless negotiations, leaving Hoover UK, Hotpoint, TI-Creda and Thorn EM.

It is still possible that the four - or even an individual company - may decide to press ahead. All agree, however, that even if a bargain were struck tomorrow, at least 10 to 12 months would be needed before the proposed factory was in production.

In the meantime, importers are expected to strengthen their hold on the market. Imports jumped by almost 70 per cent last year after five years of little growth.

About 7 per cent of UK homes now have a dishwasher and increasing purchases are expected to push this figure up to about 15 per cent by 1990.

The main problem blocking agreement among the consortium members appears to have been the difficulty of producing enough models from a single joint factory to suit all the companies' marketing and design needs.

"It's not an easy thing when everyone is competing," said Mr Britton, a Turnpa commercial director at Servis. "Everyone wants his own knobs and buttons."

Hotpoint and Hoover are both optimistic that some investment decision, involving one or more of the remaining four, can be reached by the end of this year.

Mr Jeff Sampson, managing director of Hotpoint, is particularly eager for progress. "But I can't say how we're going to do it. Marketing problems are clouding how the manufacturing decisions will be made," he said.

Unions tempted into 'no-strike' deals

BY BRIAN GROOM, LABOUR STAFF

BRITISH TRADE unions are increasingly willing to sign agreements which aim to prevent strikes, particularly in new foreign-owned high-technology factories.

A survey by the Electrical and Plumbing Trades Union (EPTU) is expected to reveal deals by a number of unions which fall short of a firm no-strike pledge, but contain procedural devices aimed at averting disruption.

Some agreements require grievances to be settled by independent, binding arbitration if another avenue fails, such as a deal reached by the General, Municipal and Boilermakers Union (GMBU) 18 months ago with the Norwegian-owned NEK Cables in Washington New Town, North East-England.

"I would be my next month's pay that every major union in the country has signed deals like this," said Mr Tom Burdison, GMBU regional secretary.

The EPTU executive has ordered its research department to investigate deals done by other unions in an attempt to show that it has been unfairly singled out in the growing row over its own 'no strikes' deals with Toshiba, Sanyo, Inmos, AB Electronics, and Hitachi.

That argument will come to a head at the Trades Union Congress at Brighton in September, when left-wingers are expected to try to commit the TUC to opposing no-strike deals.

Most of the deals aimed at curbing disruptions involve right-wing unions, such as the GMBU and the Amalgamated Union of Engineering Workers. Interest will focus on what the EPTU can pin on its main critics, such as the Transport and General Workers' Union (TGWU).

All major unions are believed to have offered Nissan procedural agreements to discourage disputes at the car plant it will build at Washington, and the TGWU has offered to seek a way of avoiding disruption for which ever contractor does the civil engineering works there.

TGWU dockers in the once-militant port of Liverpool had agreed that disputes aboard one ship should not spread across the port, as was once frequent.

Engineers, boilermakers, and other unions at Tyne Ship Repair in South Shields and Wallsend have a four-year-old deal pledging not to strike, in return for guarantees on job security.

Many unions, however, are likely to argue that their agreements fall well short of the far-reaching new EPTU deal at Hitachi in Hirswang, South Wales, which states that all disputes must be resolved "without lockouts and without any form of industrial action."

Many of the EPTU deals end in binding arbitration, often of the "pendulum" type, in which an arbitrator must come down wholly on one side or the other.

Not all employers want arbitration because, it would allow an outsider to decide their wage costs.

Many deals by other unions are in a grey area, not rubbing out disputes but having sophisticated procedures for resolving grievances peacefully or limiting disruption.

Royal naval dockyard has an agreement allowing key personnel to continue working in a dispute.

NSK Bearings of Peterlee, north east England, has a seven-day "cooling off" period before industrial action can be taken if negotiations, and conciliation or arbitration by Acas, the conciliation service, cannot resolve a dispute.

Other companies have cooling off periods ranging from five days to three weeks.

The EPTU will also examine single union deals which, while not restricting strikes, make other concessions which the EPTU believes go further than its own, notably in the canning industry.

Thatcher presents Anglo-Dutch awards

BY JAMES McDONALD

A LAGER BREWER and an expert of plant tissue technology were among the winners of Anglo-Dutch awards for enterprise presented in London yesterday by Mrs Margaret Thatcher, the British Prime Minister.

The awards, created by the Netherlands-British Chamber of Commerce three years ago, were given to eight companies, four Dutch and four British, in large and small company categories.

In the Dutch sector for a large company, the winner was United Dutch Breweries Breda-Oranjestad, with a certificate of merit for Schiphol Airport, Amsterdam.

Job Creation of Holland was the small companies award for its work in creating small enterprises. The runner-up was Logica BV, computer software manufacturers.

In the British sector, the large company winner was Thyford Plant Laboratories, the biotechnology group based at Somerset in south-west England. It is a world leader in plant tissue culture technology. Over 90 per cent of its products are exported, with a large part going to the Netherlands. The runner-up in this category was Rumenco, specialist feed supplement manufacturers at Burton-on-Trent in the English Midlands.

Denny Brothers Printing of Bury St Edmunds, Suffolk, won the small company award for its "Fix-a-Form" labelling system and the runner-up was Hirtz Foults, a plant hire company.

EUROPEAN FERRIES PLC

The undersigned announces that the above company has published information regarding proposals to enable shareholders to exercise their voting rights on 1st January 1984. The proposals include: (a) New Ordinary Shares with a par value of 25s each; (b) 1st Preference Shares with a par value of 10s each; (c) A combination of the two. The Ordinary Shares will carry all the customary equity rights, but will not entitle holders to consecutive years of dividends. Preference Shares will entitle holders to a fixed percentage of the company's profits, but will not entitle holders to consecutive years of dividends. The proposals are subject to the approval of the shareholders at a general meeting of the company to be held on 1st January 1984. The proposals will be put to the shareholders at the meeting and the shareholders will be asked to vote on the proposals. The proposals will be put to the shareholders at the meeting and the shareholders will be asked to vote on the proposals. The proposals will be put to the shareholders at the meeting and the shareholders will be asked to vote on the proposals.

Labour elect an G



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UK NEWS

Labour seeks election verdict on Government

THE LABOUR Party is treating the European elections as its second chance to fight the 1983 general election. This is clear from its manifesto (policy document), which restates in even broader and simpler terms many of the themes of the 1983 election manifesto.

It was emphasised by Mr Neil Kinnock, the party leader, at yesterday's press conference to launch the manifesto. The election, he declared, would be a verdict on the Thatcher Government and on Labour's efforts to show after the 1983 debacle, and the self-inflicted wounds that preceded it, that "we are back on our feet marching to the next general election, whenever it may be."

As in 1983, the party singles out unemployment and job creation as the highest single campaigning issue. The fundamental change in its



Mr Neil Kinnock

policy on Europe - the relegation of withdrawal from the EEC from an urgent commitment to merely one of several options - is mentioned only on the penultimate page of the manifesto.

The manifesto blames EEC membership for speeding up Britain's economic decline. "It has cost Britain jobs; it has helped to reduce our standard of living," it says.

The framework of policy for the European elections it adds, is set by the programme on which Labour fought the general election. "However, our programme is not static. It would respond to current problems and concerns.

Britain, the manifesto says, will remain an EEC member for the term of the next European Parliament. "At the end of that time, Britain will have been a member of the EEC for 15 years - and this will be reflected in our pattern of trade, the way our economy works and our political relations overseas. But we also recognise the fundamental nature of the changes we wish to see made in the EEC and that its rules may stand in the way of a Labour government when it acts to cut unemployment.

"It is in this context that we believe that Britain, like all member states, must retain the option of withdrawal from the EEC."

Pressed on this point yesterday, Mr Kinnock said the next Labour government would base its decision on whether Britain should stay in the EEC on two considerations: whether it was possible to "get the burden of the food bill off British backs"; and whether it would be possible to stem the outflow of jobs and investment from Britain.

But, he added, the years of EEC membership had altered Britain's trading and economic relations and the party would have to calculate carefully where the advantage to Britain lay.

Mr Kinnock said that if fundamental reforms could be achieved

in the EEC's spending patterns - such as a massive transfer from agricultural spending to spending through the regional and social funds - Britain's advantage might well lie in a bigger overall EEC budget though there could be no increase in its net contributions.

On the question of the EEC budget, the manifesto insists that the issue of UK contributions is a necessary, but only preliminary hurdle. "The real issue is how the money is spent," it says. "The real crisis is about jobs and industrial decline."

"What Britain needs, and what the people of Europe need, is a strategy that gives priority to rebuilding and reinvesting in our countries. And unless the reforms we demand are carried through, Labour is not willing to consider any call for Community resources to be increased."

The "real" issues in the elections, the manifesto insists, are unemployment, health and social services, industrial regeneration through investment and modernisation, and food prices.

Priority is given to unemployment. The manifesto calls for a sharp increase in EEC spending on industry and jobs and sets out a 10-point plan:

- Public spending on housing, urban renewal and transport.
- Investment in industry, especially high technology industries and co-operative ventures such as the Spirit programme and the Airbus.
- Encouragement of work co-operatives.
- Investment in training and re-training, especially for young people, women and blacks.
- Investment in depressed regions.
- Investment of North Sea oil revenues in Britain.
- Refusal to join the European Monetary System "which would make British goods even less competitive than now," while pressing the rest of the EEC to accept "the sensible planning of trade so as to protect economic expansion."
- A 35-hour week without loss of pay.
- A new energy policy, including development of the British coal industry.
- Industrial democracy, as set out in the Vredeling proposals.
- The "attack on the welfare state," which figured so prominently in Labour's 1983 campaign, is set in a European context. "In Britain, as in Europe, the crisis brought on by reactionary Tory governments threatens not only our jobs but also our social services and our democratic freedoms."

The manifesto insists that the British National Health Service, created by Labour, must not be destroyed. It calls for improved social service benefits, equal opportunities for women, environmental protection, defence of wildlife, better public transport and wider democracy, including repeal in Britain of the 1972 European Communities Act.

The manifesto calls for a new food policy, based on a fundamental reform of the Common Agricultural Policy. The new policy, it insists, must put an end to high food prices; lift the burden of agricultural subsidies from the shoppers; end the system of farm support that leads to food mountains and open the Common Market to cheaper food from elsewhere.

The reforms should also, it says, guarantee a decent living for farm workers and farmers who work in the worst conditions, protect Britain's fishing industry and safeguard the environment.

the manifesto contains little that is new. It primarily consists of a defence of the Conservative record since 1979, coupled with caution about new institutional developments.

On the EEC budget, the manifesto mainly stresses what has been achieved so far, rather than the continuing disagreements about

Tories say Britain strengthens Europe

A STRONG assertion of Britain's interests within the European Community and opposition to any moves towards a federal Europe form the centrepiece of the Conservative Party's manifesto for the European elections.

At a press conference in London to launch the party's manifesto (policy document), "The Strong Voice in Europe," Mrs Margaret Thatcher, the Prime Minister, claimed that it was "the Conservative Government which is fighting for Britain's interests in Europe and in a strong British voice and representation in Europe."

She said: "The Euro-fanatics want to see the British character submerged in Europe. Not this party. We believe Britain has a contribution to make to Europe just because we have our own distinctive national history and character."

"The Euro-phobes want to see Britain out of Europe. Not this party. We believe Britain is stronger in Europe and Europe is stronger because Britain is in."

The manifesto claims that there must be a fairer Community budget system. "We have won Community agreement that there must be effective and guaranteed control of spending, including agriculture."

On the monetary side, the Conservatives "support the objectives of more stable exchange rates and financial conditions."

The manifesto says: "The question of sterling participation in the exchange rate mechanism of the European Monetary System (EMS)

remains under regular review. We should only take that step when the conditions are right, both for us and for our partners. We support the increasing commercial use of the European Currency Unit in Community trade and finance."

At yesterday's press conference, Sir Geoffrey Howe, the Foreign Secretary, refused to say when conditions might be "right" for sterling's full entry into the EMS. However, he did note that "increased

collective decision-making of the EEC. "We welcome practical reforms in the workings of the Community institutions. But we do not support attempts to force the pace of institutional reform, especially in ways which might jeopardise the defence of genuinely vital national interests or which would not command the necessary degree of common agreement and public support."

In particular, Mrs Thatcher made

ed suggestions for a European army or a European defence community. She stressed that defence should be discussed through Nato.

The Prime Minister sounded lukewarm about proposals made elsewhere in Europe for enhancing the European dimension in the context of the Western European Union. She said she was "perfectly happy" for these talks to continue if they strengthened European consciousness and added to the cohesiveness of Nato.

The manifesto lays particular stress on removing obstacles to trade in both goods and services within the Community, together with the enforcement of fair Community competition rules.

Britain, it says, will strive to:

- Eliminate costly delays and bureaucracy at frontiers within the Community.
- Make public purchasing more open and competitive.
- Create a common market for financial and other services, which is particularly important to Britain as the financial centre of Europe.
- Promote faster progress towards mutual recognition of proper professional qualifications.
- Agree a definite and detailed timetable for the removal of non-tariff barriers to trade.

The manifesto also pledges that Britain "will promote common efforts on research and innovation in, for example, information technology, will encourage training pro-

grammes for the new technology industries, will seek to remove obstacles to joint European ventures and investment, will continue to support Europe's aerospace industry, and will support Community efforts to rationalise traditional industries such as steel and shipbuilding on a fair basis."

Action on energy conservation and the environment is also mentioned. The manifesto says Britain will work for the elimination of lead in petrol for new vehicles by 1990 and for more research to find practical answers to the problem of acid rain.

On agriculture, the manifesto says that "Conservatives recognise the benefits of secure food supplies and more stable prices brought about by the Common Agricultural Policy (CAP) and the part the policy has played in easing difficult social changes in the countryside."

It adds: "But the CAP has become the victim of its own success. We must tackle the problems of costs and surpluses now so that it can be placed on a basis which will safeguard the future of a healthy agricultural industry, and preserve the quality of our rural heritage."

"Our new system of budgetary discipline, combined with the package of measures agreed by agricultural ministers in March this year, marks a significant reform of the operation of the CAP and a first major step towards control of agricultural spending."

stability in terms of relative inflation rates is taking us in the right direction."

Sir Geoffrey denied any link between EMS and the budget controversy. He pointed out that, as a petro-currency, sterling had been subject to particularly wide variations since 1979. If sterling had been in EMS since then "the number of parity changes would have been very substantially larger than those that took place." But conditions were "progressively getting smoother."

The manifesto is cautious about suggestions for strengthening the

The Conservative and Labour parties yesterday published their policy documents for the European elections. Voting takes place in 79 UK constituencies on June 14 - the Tories won 60 seats and Labour 17 at the last election. Peter Riddell reports on the Conservatives' policy and (left) Margaret Van Hattem describes Labour's.

she wanted to retain, where necessary, the principle of unanimity on the Council of Ministers. She wanted to keep the veto as now. It should not be weakened in any way. It is important for Britain to have the veto to have a greater influence in Europe."

Similarly, Mrs Thatcher said she opposed any increase in the powers of the European Parliament. "The balance is right at the moment. Most of the major decisions are agreed separately by our governments."

Mrs Thatcher specifically reject-

ed suggestions for a European army or a European defence community. She stressed that defence should be discussed through Nato.

The Prime Minister sounded lukewarm about proposals made elsewhere in Europe for enhancing the European dimension in the context of the Western European Union. She said she was "perfectly happy" for these talks to continue if they strengthened European consciousness and added to the cohesiveness of Nato.

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Rates subject to variation. *Gross yield assumes 30% basic rate tax.	

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John G. ...

UK NEWS

NOTICE TO DEBENTUREHOLDERS
K MART (AUSTRALIA) PROPERTIES FINANCE LIMITED
 7% Trust Debentures

RoyWest Trust Corporation (Cayman) Limited of Grand Cayman, B.W.I. (the "Stock Trustee") is the trustee of the Kurralta Properties Stock Trust created for the beneficial interest of the Debentureholders and pursuant to which it established Kurralta Properties Pty. Limited and is the owner of all its issued capital. Kurralta Properties Pty. Limited in turn is the owner of all the issued capital of K mart (Australia) Properties Finance Limited, the issuer of the above Debentures.

The Stock Trustee is obliged to make available to Debentureholders information which it believes will be useful to such holders, who from September 15, 1984 through October 15, 1984 may elect either to allow the Debentures to mature on December 15, 1984 or, subject to certain conditions, to extend their maturity to September 15, 2002.

The Stock Trustee has therefore arranged for the preparation of a Booklet containing such information together with detailed information concerning the procedures Debentureholders should follow in electing whether or not to extend the Debentures. This Booklet will be available upon request on and after May 22, 1984 at the offices and addresses stated below:

The Royal Bank and Trust Company Corporate Trust Department
 68 William Street
 New York, New York 10005

Citibank, N.A.
 336 Strand
 London, England WC3R 1HB

Citibank Aktiengesellschaft
 Grosse Gallustrasse 16
 Frankfurt/Main, Germany

Citibank, N.A.
 For Buonaparte, 16
 Milan, Italy

Citibank (Luxembourg) S.A.
 16 Avenue Marie Theres
 Luxembourg

RoyWest Trust Corporation (Cayman) Limited
 Royal Bank Building
 Cardinal Avenue
 Grand Cayman, B.W.I.

RoyWest Trust Corporation (Bahamas) Limited
 West Bay Street
 Nassau, Bahamas

Citibank, N.A.
 111 Wall Street - 5th Floor
 Finance and Delivery Department
 New York, New York 10043

Citibank, N.A.
 Herengracht 545-549
 1000 CB
 Amsterdam, The Netherlands

Citibank, N.A.
 Avenue de Tervuren, 249
 Brussels B-1150, Belgium

DATED at Grand Cayman, B.W.I. this 16th day of May, 1984.

Oil depletion 'unlikely to harm economy'

BY PHILIP STEPHENS

PREDICTIONS THAT Britain will face an economic crisis as its oil reserves are depleted are likely to prove groundless, the City University business school says in its latest economic forecast.

In an optimistic review of prospects for the economy during the rest of this century the business school says that the rundown in oil reserves will be accompanied by a reversal of the "de-industrialisation" which has occurred since the mid-1970s.

Even the most pessimistic assumptions for oil production and government oil revenues imply no major crunch for the economy, it argues.

The expected fall in oil production will, however, lower the growth rate of the economy as a whole, with the direct impact on gross domestic product (GDP) exacerbated by an increase in the real sterling cost of energy and raw materials.

Turning to the outlook over the next few years, the review says that economic growth is likely to remain strong, but will slow next year before reviving later in the decade.

Inflation is likely to be held at about present levels for the next

two or three years by a slowdown in real earnings growth which should offset the impact of smaller productivity gains.

There are, however, substantial risks that inflation could pick up momentum because of the laxness of the Government's money supply policies, it says.

Consumer expectations of inflation have deteriorated significantly since last autumn, and these expectations have a habit of coming true, not least because they form the basis of wage bargaining.

The business school predicts a small fall in unemployment next year, but it expects much faster reductions later in the decade as real earnings stabilise and output continues to grow.

Rising interest rates could threaten the investment and recruitment plans of small companies, the Confederation of British Industry (CBI) said yesterday.

Commenting on its latest survey of trends among smaller businesses, the CBI said confidence which continued to improve had been overshadowed by interest rate fears.

BCal in bid to win Milan service

By Michael Donne, Aerospace Correspondent

BRITISH CALEDONIAN, the independent airline, is making another bid to win a scheduled service licence between Gatwick and Milan.

Its application is to be heard by the Civil Aviation Authority in London today. British Airways, which flies to Milan from Heathrow, is opposing the bid.

This will be the fourth attempt by BCal and its predecessor British United, to win the Milan route - the first was made in 1962 and further bids, all unsuccessful, were made in 1973 and 1979.

BCal's new application stresses the importance of developing Gatwick as an airport for connecting flights. It points out that of the 225 destinations served from London's two airports 199 can be reached from Heathrow, but only 107 from Gatwick.

BCal claims that if it is allowed to fly the Gatwick-Milan route, the impact on British Airways' Heathrow-Milan operation would be minimal.

BCal already flies to Genoa, and makes frequent charter flights to Milan. If given the route, it would expect to win about 15 per cent of the overall London-Milan market within three years.

Companies hold the brakes on tea and coffee prices

BY RICHARD MOONEY

THE COST of a cup of tea or coffee is to remain stable for the time being, in spite of a recent steep fall in tea auction prices and an equally steep rise in coffee futures prices.

A 20 per cent fall in London tea auction prices over the last four months might have encouraged members of the tea set to hope for a substantial reduction in shop prices. The tea companies point out that this fall was from a record level which was never fully reflected in the retail price.

Coffee drinkers, on the other hand, might well be relieved that a 20 per cent rise in the last month on the London coffee futures market has not yet forced instant coffee makers to lift their prices. Their relief could be short-lived, however, unless commodity prices for coffee fall substantially from the current 6% year peak.

The jars of coffee on supermarket shelves at the moment will have been made from beans bought some months ago at relatively low prices. If current bean prices hold, the manufacturers will have no option but to raise their selling prices proportionately.

London futures prices for coffee are more than 40 per cent up from a year ago but some of this rise has already been reflected in the shops - so far this year the price of a 100 gramme jar of Nescafe has risen 17p to 125p.

Tea market prices have risen even more steeply. Between April 1983 and last Christmas the average price at the weekly London auction went up some 80 per cent to around 250p a kilo.

Then came India's announcement that it was halting exports of CTC (crush, tear and curl) tea in an attempt to bring down prices on its domestic market. This led to a new surge at the London auction which took the average to a record 317p a kilo in January.

CTC is the type of tea favoured in the British market for its quick-brewing qualities.

The Indian export ban was lifted a week ago, but by then the price had already subsided to its

Christmas level and further substantial falls are not anticipated. The auction price rise has been reflected in a 50 per cent rise in retail prices for packet tea. PG Tips, Britain's favourite brand, now sells at around 45p for 125 grammes, up from 32p in April 1983.

For both tea and coffee, raw materials costs represent around 70 per cent of the selling price. Leaving aside the temporary Indian ban, the main cause of the dramatic increase in tea prices has been a gradual switch in the balance of supply and demand. For the last 10 years consumption increases have been running ahead of output increases by 1.5-2 per cent a year, and in 1981 annual world consumption actually overtook annual production.

The main reason for the fast rise in consumption has been increased usage in producing countries, notably India, reflecting population growth and increased prosperity.

If this trend continues a further upgrading of the retail tea price must be on the cards. This will not be welcomed by the UK tea companies, which are already looking over their shoulders at the instant coffee producers, who are steadily eroding tea's traditional dominance of the £1.2bn a year British beverage market.

At 100m cups a day British coffee consumption is now around 50 per cent of tea's compared with about 18 per cent 10 years ago.

For their part the coffee makers are equally anxious to maintain this progress and will do all they can to avoid widening the price differential against tea.

It is as yet too early to assess the effects on consumption of the two beverages of this year's retail price rises. Brooke Bonds has not noticed any fall off in sales but it is wary of reading too much into this as there is a tendency for consumers to respond to a rising market by stocking up their larders.

If this has been the case with tea, larger de-stocking could result in a significant, though temporary, decline in shop sales later on.

A B.A.T Industries Report
 Extracts from the Chairman's Speech at the Annual General Meeting

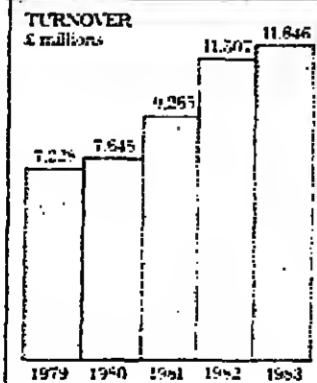


"Four main activities will contribute to another record year"

Patrick Sheehy, Chairman, B.A.T INDUSTRIES

World economies have strengthened considerably. We will continue to benefit from the improved economic climate which I foresee lasting through 1984, when I expect our four main activities will contribute to another record year for the Group.

Profits from the tobacco business in the first half of 1984 are expected to be considerably above the comparable period of 1983, reflecting the recovery shown in the second half of last year. In West Germany, the encouraging return to more normal market conditions continues. In Brazil, Souza Cruz expects to maintain its market share. The US cigarette

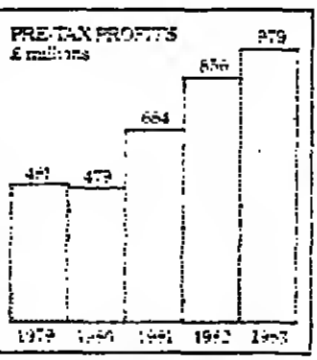


market continues to be highly competitive but Brown & Williamson is well placed to show very satisfactory profits.

Our retailing interests in both the US and UK will build on the higher results of the previous year, with additional growth from store expansion in the US and continuation of the UK's store development and marketing plans.

Wiggins Teape's full-year results should be ahead of 1983. Appleton Papers continues to build on its excellent performance in a US market that is showing strong growth.

In the Eagle Star insurance business, gross premium income for the first quarter is well up. Grovewood Securities

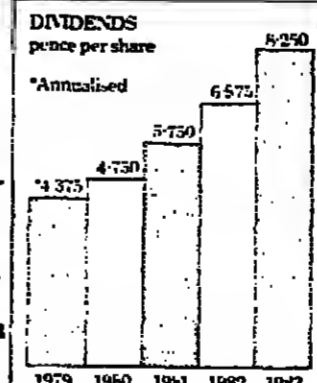


is on line to achieve an increased profit for the seventeenth consecutive year.

Mardon Packaging International is continuing its steady recovery and I expect its profit to be well up on last year. Our cosmetics business will make progress in the more favourable economic conditions.

Our important investments in Associated Companies will continue to yield a significant contribution, with Imasco and AMATIL again prominent.

Granted no major currency fluctuations, I look forward to another satisfactory increase in pre-tax profit, which will again be reflected in a recommendation for a dividend increase.



B.A.T INDUSTRIES
 The Report and Accounts for 1983 is available from the Company Secretary, B.A.T Industries p.Lc.
 WINDSOR HOUSE 50 VICTORIA STREET LONDON SW1H 0NL

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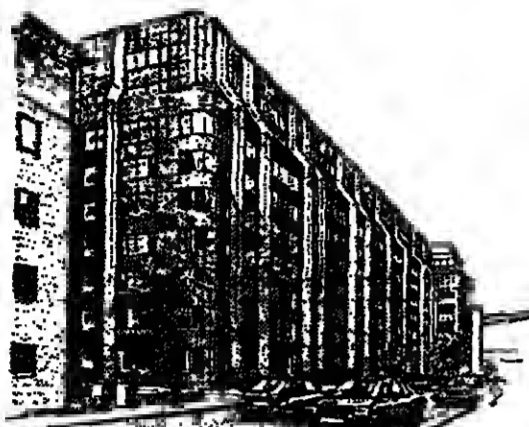
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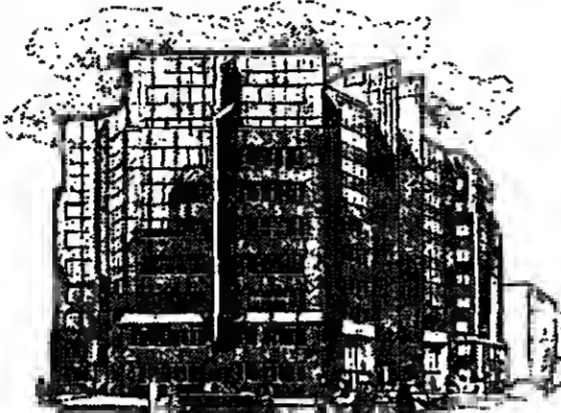
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Over one million square feet of air-conditioned office space in Central London developments



Abell House, John Islip Street, SW1
129,200 sq. ft. net of air-conditioned offices.
Whole building under offer.



Cleland House, Page Street, SW1
101,500 sq. ft. net of air-conditioned offices. Whole building re-let to the Secretary of State for the Environment.



77/80 Gracechurch Street, EC3
41,000 sq. ft. net of air-conditioned offices.

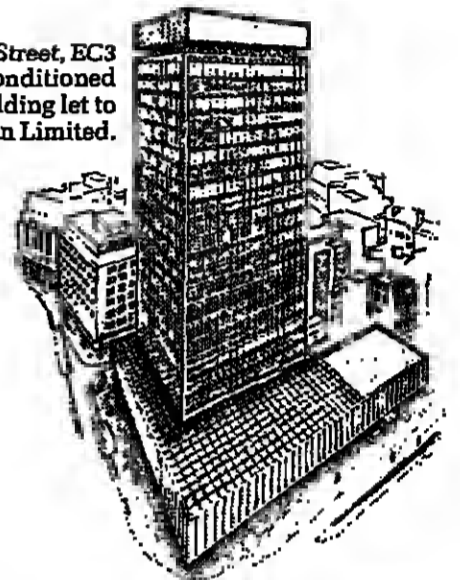


Devonshire House, Piccadilly, W1
155,000 sq. ft. net of air-conditioned offices. Will divide.



33 King William Street, EC4
130,840 sq. ft. net of air-conditioned offices. Whole building let to S.G. Warburg & Co. Ltd.

13/23 Fenchurch Street, EC3
168,000 sq. ft. net of air-conditioned offices. Whole building let to Kleinwort, Benson Limited.



6/12 Fenchurch Street, EC3
51,000 sq. ft. net of air-conditioned offices.



Cromwell House, Dean Stanley Street, SW1
24,900 sq. ft. net of air-conditioned offices.

Land Securities

Abridged summary of Results for the Year ended 31st March, 1984

	Increase %	31.3.84 £m	31.3.83 £m
Total Income	5.4	137.7	130.6
<i>Of which: Rental Income</i>	8.8	116.1	106.7
Net rents and Interest Receivable	4.5	103.7	99.2
Net Income before Taxation	7.4	84.0	78.2
Taxation	2.1	33.3	32.6
Earnings after Taxation available for Distribution	11.2	50.7	45.6
*Dividends per share paid (2.357p) and proposed (4.910p)	10.0	7.267p	6.607p
*Earnings per share	8.1	10.23p	9.46p
Dividend cover - times		1.41	1.43

*where appropriate, adjustments have been made to reflect the two for five capitalisation issue authorised in November, 1983

The Knight Frank & Rutley valuation of the portfolio as at 31st March, 1984, which valued each property individually and in its present state, totalled £2,188.4m, an increase of £160.7m over the valuation at the previous year end. During the period expenditure on properties amounted to £77.2m and the aggregate book value of properties sold was £52.4m. Accordingly, the surplus on revaluation is £135.9m, an increase of 6.6% (1983: 6.4%).

The valuation has been included in the Accounts at 31st March, 1984, and without adjusting for any taxation payable in the event of the properties being sold, the consolidated net assets of the Group at that date amounted to £1,890.3m, on which basis, the fully diluted net asset value per share is 377p.

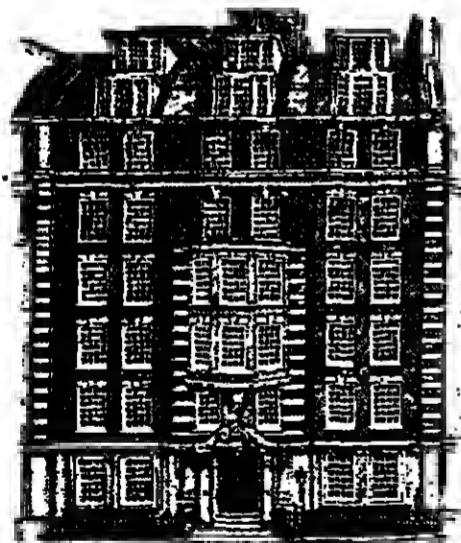
The results for the year reflect the comments made in recent Directors' Reports on the effect upon net income of the major redevelopment programme. This will continue and, whilst income will be receivable in respect of 33 King William Street and 13/23 Fenchurch Street during the year to 31st March, 1985 only an insignificant contribution is to be anticipated from other developments.

The present development programme contains over one million square feet net of air-conditioned office space in Central London, half of which is let or under offer.

At 31st March, 1984 Group short term funds were £50.9m and capital commitments £55.9m, the latter expenditure to be phased over periods of up to two years.

The full Report of the Directors and the Accounts for the year containing an unqualified Report by the Auditors, a detailed property portfolio review, a list of the Group's major property holdings and illustrations of major City, West End and Victoria Schemes will be distributed to Shareholders on 6th June, 1984. Non-shareholders who would like a copy are requested to write to The Secretary:-

LAND SECURITIES PLC Devonshire House, Piccadilly, London W1X 6BT



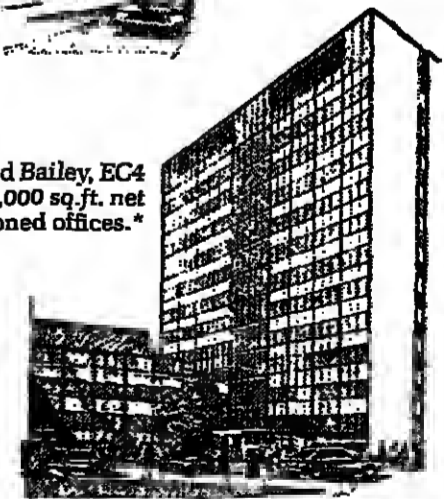
29/35 Old Queen Street, SW1
20,500 sq. ft. net of offices.



5 Old Queen Street, SW1
11,700 sq. ft. net of air-conditioned offices.



26 Old Bailey, EC4
65,000 sq. ft. net of air-conditioned offices.*



50 Ludgate Hill, EC4
118,500 sq. ft. net of air-conditioned offices.*

* These two buildings comprising 183,500 sq. ft. net of air-conditioned offices could be let together.

THE ARTS

A surreal Rigoletto

The first major event of the 47th Maggio musicale fiorentino, directed for the first time by Luciano Berio, was Rigoletto. As all the world knows by now, the staging by Yuri Lyubimov became the focus of much pre-premiere Florentine scandal, and thereafter of even more national and international scandal.

Max Loppert reports on a Florentine scandal

dolls variously costumed, some in 19th-century formal attire, some elaborately robed in the manner of earlier periods, some masked and figured like the "devil dolls" from an antique theatre tradition — the costumes, by Lazaridis and Johann Engels, were in themselves, and in their dramatic contrast of colour, a measure of brilliant theatrical device.

London Galleries/William Packer

Blackadder for the Tate!



Elizabeth Blackadder

One of the names that unaccountably I left out of my review in Saturday's paper of the Royal Academy's Summer Show was that of Elizabeth Blackadder, whose set of large wall life paintings in water-colour is so spectacular a feature of the Large South Room.

For the case which it urges upon us is that Miss Blackadder is not merely a distinctive and delightful painter, but one of the very best we have still at work. She has been working steadily now for some 30 years, and if her talent was always apparent, she has continued nevertheless to apply herself to it, so to grow and develop in her work.

But there is support and support, recognition and recognition: it is all very well to enjoy a virtual sell-out (you will not be disappointed if you do not see this time), quite another to have that practical and immediate success given some general critical and, more to the point, editorial confirmation.

It is a long time since Bonnard and Matisse were called to account for the sublime irrelevance of being too bourgeois in their interests and imagery, and still how hard it is for Miss Blackadder, the painter of cats and flowers, of boxes, fans and bric-a-brac, who compounds her offence moreover, by her preoccupation these 10 years past with the inferior techniques and effects of water colour, to be considered at her worth by so many of those who job it is to know, and see, better.

Cherkassky/Festival Hall

Dominic Gill

Cherkassky was on dazzling form on Sunday afternoon. He began his recital with Beethoven — tentatively, a loving, lyrical account of the first of the two quasi-fantasia sonatas, its allegro molto magnificently caressed, the adagio tenderly unfolded, flower-like, and a gentle current even to the finale, for all its sparkle.

La traviata/New, Cardiff

Rodney Milnes

The Welsh National Opera's revival of Verdi's elusive opera staging is frankly dreadful, set in never-never-land. H. M. Tennant decor and projected with all the truth of a confection by Ivor Novello. In such surroundings one can only praise Dennis O'Neill's very musically sung Aida (with passing over his highly implausible characterisation) and Anthony Baldwin's thoughtful Germont (powerfully if a little unsteadily voiced). Julian Smith's conducting, admirably musical in intention, was too often lacking in the dramatic thrust essential in this of all operas.

Pavarotti/Covent Garden

Max Loppert

In residence at Covent Garden to prepare for the forthcoming Sunday evening to a concert of airs and songs in aid of Royal Opera House charities. The Prince and Princess of Wales led the nutables in attendance; and the tight-packed house rose to the singer's white handkerchief, broad smile, widefunt arms and general air of bonhomie with shows of noisy approval as if to demonstrate that recent Pavarotti disappointments in London had been entirely forgotten.

The Price of Coal/Nottingham

Michael Coveney

Life has not so much limited art as overtaken it at the Nottingham Playhouse, where Kenneth Alan Taylor's first production since he became artistic director in January is unapologetically set in the present while remaining impervious to the miners' strike, the Mansfield rally and Mr Ian McGregor's arrival in Nottingham on Friday to assure those miners who have defied Mr Arthur Scargill that "they will always be taken care of."

Saleroom

Lord Iveagh's sale of the contents of his English home, Elvedon Hall, near Thetford in Norfolk, got off to an excellent start yesterday. Among the pictures in portrait of Adelaide Maria, Countess of Iveagh, painted in 1855 by George Hicks, sold for £120,000 to London's dealer as against a top estimate of £30,000, and in the furniture a set of four early George III mahogany hall chairs went for £34,500, well above forecast.

Arts Guide

Opera and Ballet

Hamburg Staatsoper: Die Entführung aus dem Serail returns starring Marietta Devia and Peter Schreier. (31.15.1)

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 18-24

WEST GERMANY
Hamburg Staatsoper: Die Entführung aus dem Serail returns starring Marietta Devia and Peter Schreier. (31.15.1)

Falstaff/Norrlands Opera

Ossia Trilling

The first production at the 10-year old Norrlands Opera in the South Lapland university town of Umeå — Verdi's Falstaff — proved to be a model of its kind. It was staged by Tom Lagerberg, the Norrlands Opera's managing director, and conducted by Arnold Östman, one of the four founders of the ensemble in 1974.

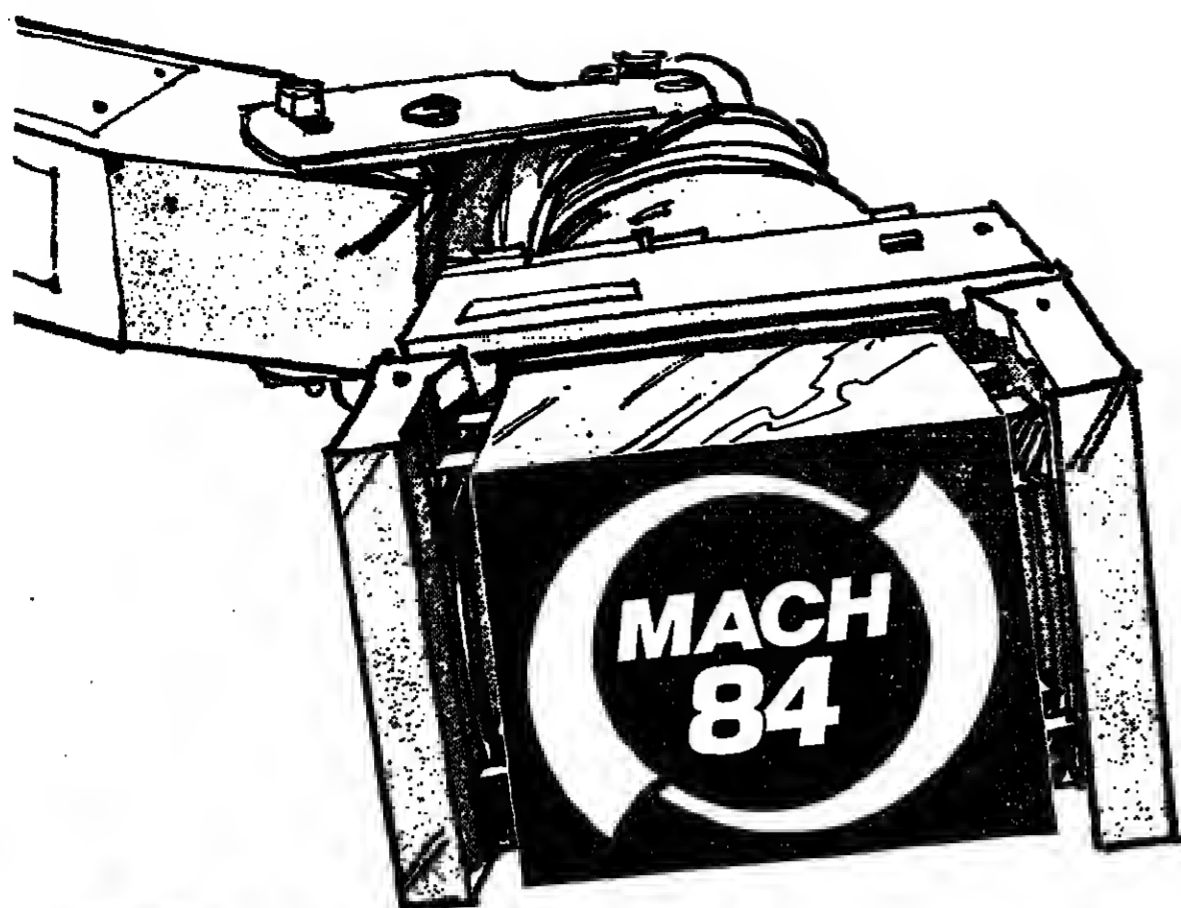
Bauhaus / Brussels

Rob van Mesdag

School parties in Brussels are flocking to the Bauhaus, a travelling exhibition about the design firm developed in pre-Hitler Germany and still popular today. One schoolboy, admiring a photograph of the Pan-Am building rising above New York's Grand Central station, said to his friend: "Much better than our Art Nouveau." No doubt he was taking for granted such vestiges of this art form as the planners of the city have not yet succeeded in destroying. But his remark illustrates how easily young people could — and can — appreciate what the idealistic German architect Walter Gropius had in mind, when in 1919 he and colleagues founded their Bauhaus, a school for design.

Arts Guide

VIENNA
Lorin Blaazoff conducts a concert performance of Die Walküre with Hans Jones, Ludwig Lotte, Rysanek, Borovsky, Staatsoper (Tue).



Programmed to present the very latest in machine tool technology.

From 19-29 June 1984 the MACH 84 Exhibition will bring together machine tools and systems from more than a thousand manufacturers throughout the world at the National Exhibition Centre.

To the forefront will be the most recent advances in unmanned machines from full scale flexible manufacturing systems (FMS) to machining cells, together with CNC robots for automated handling, assembly, welding and surface treatment. Also prominent will be the latest in machining techniques, automated inspection, developments in laser technology and many sophisticated new peripherals. MACH 84 will show you in the most comprehensive way where your best investment lies for more profitable production in the future - don't miss it.

MACH 84 Conference
A three-day conference, 28-30 June 1984, Metropole Hotel NEC, which will present and debate all aspects of machine tools and management, in particular, the changing role of machine tools in manufacturing.
Details from IFS (Conferences) Ltd.
Telephone: Bedford (0234) 853606

One ticket - four shows
Visitors to MACH 84 have free entrance to: SUBCON 84 Exhibition for Sub-contracting Industries. FLUMEX 84 International Fluid & Mechanical Power Transmission & Control Exhibition SURFACE TREATMENT & FINISHING SHOW.

**INTERNATIONAL MACHINE TOOL EXHIBITION
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Letters to the Editor

Transferring Hong Kong magic

From Mr R. Clarke
Sir—Would that we could transfer some of the Hong Kong magic (Lombard May 17) to this country but it would require rather more than the 2m immigrants you propose though I agree they should be free to enter.

Hong Kong was built on the principle of free trade with the world. With no natural resources other than a magnificent harbour this policy of the free movement of money and commodities has enabled the enterprise and hard work of the community to build the multi-faceted society we see today.

When Hong Kong was established the then Secretary of State declared all land Crown Land (as indeed it is or was) in this country and by wise land policy and the essential minimum land use planning, ready access to land is provided for both public and private enterprise.

New towns have been created, infrastructure provided in which public housing built all at no charge on the community, the full cost being recovered from the land sold by auction to private developers.

What can this country learn from Hong Kong? Surely the main lesson is the enormous potential that exists for the creation of wealth if the burden of taxation and constraint is removed from labour and capital and public revenue obtained largely from the collection of land value?

Such a change would be an appropriate way to mark the 900th anniversary of the Domesday Book.

Richard C. Clarke, Sunflower Cottage, Little London, Lechlade, Glos.

From Mr R. Bonvicini
Sir—It is not clear how a group of "Shanghai cadres" (Lombard, May 17) would manage to run Hong Kong—most local people would be unable to understand them unless instructions were issued in

Varying views on the GLC

From the Press Officer, Campaign to Abolish the GLC
Sir—Poor Ken Livingstone must surely regret making known his real opinion of the Greater London Council in 1979 and Mr D. Franklin (May 17) is perfectly justified in asking "is Mr Livingstone muddled?"

On the other hand, as soon as Labour gets control the beast is suddenly transformed, and criticism thereafter is seen to be an attack upon local democracy, civil liberties, etc.

Against deficit financing

From Mr Paul Craig Roberts
Sir—I was astounded to find myself described in your May 15 edition as "the high priest of deficit finance." No designation could be further from the truth, and nothing that I have ever said or written supports such a description.

writing. The spoken native language of most HK inhabitants is the Cantonese dialect, a very old survival of classical Chinese. It is unlikely that the Peking Government would, after 1997, reconcile itself to tolerating indefinitely a linguistic enclave, whatever the administrative status of the "special" regime for the "Hong Kong compatriots."

One of the lasting effects of the Maoist revolution is the spread of standard Chinese among the young generation even in those areas—mostly along the southern coast—which remained wedded to local cultures based on the surviving dialectal Chinese dialects and also generally spoken by their overseas "cousins."

It would therefore be of importance for the survival of Hong Kong to foster the rapid development of schooling in standard Chinese among all classes. Useful pointers of how to go about this could be derived from experiences in Singapore.

Ralf Bonvicini, Sorby, Kim Lane, Bangli Heath, Henley-on-Thames.

Bananas are cheap today

From the Assistant Advertising Manager, Puffes Group
Sir—While not wishing to be unsympathetic to the sentiment expressed by Mr Francey, May 10, particularly as the elderly as a group consume more bananas than any other, I must challenge the suggestion that the fruit has become expensive.

The price of bananas has fallen behind the average increase in retail prices over the past 10 years. The overall retail price index since 1974 has risen by 243 per cent, that of food by 220 per cent, and bananas

in particular by 175 per cent. Together with its food value, as it contains practically no fat, little sodium, but is high in potassium (very important for the relief of stress) and is a valuable source of vitamins C, the banana still represents a source of good cheap food.

Counting numbers in support
From the National Officer, Public Services Group, Transport and General Workers' Union
Sir—We are accustomed to policemen on trades union marches playing down the numbers participating. We expect better from the Ministry of Defence.

On April 27, Britain's 11 Royal Ordnance Factories and their two FERME (research and development) establishments closed down at lunchtime. The stoppage was in protest against the privatisation of the ROFs.

Commoners rights attacked

From the Honorary Secretary, Wolcote Commoners Committee
Sir—Any readers who have visited Oxford are likely to have observed a large meadow across which unspoiled views of the city are obtained. This is Port Meadow, a stretch of common land dating back to before the Norman Conquest.

Obsession with exam results

From Helen Quigley
Sir—I read your leader "Obsessed with exam results" (May 14) with interest and am pleased that you approve of Sir Keith Joseph's attempts to broaden the curriculum and loosen the grip of narrow academic specialisation.

Exports of capital goods

From Mr R. Musgrave
Sir—Dr Morris (May 14) argues that bureaucrats like himself can, by manipulating the economy with export subsidies, produce better results than a free market, in an absence of subsidies. This is allegedly because he and his colleagues can take into account such weighty matters as the likely duration of other countries' export subsidies.

I think Dr Morris has overlooked the fact that these sorts of imponderables are continually being taken into account by businesses, so the market for example a British producer threatened by another country's export subsidies would not be so idiotic as not to make enquiries about the "likely duration" of the subsidy before contracting his business. If, of course, NEDO personnel were particularly good at quantifying these factors we would all find NEDO publications indispensable reading and such personnel would make fortunes on the Stock Exchange and elsewhere.

WHAT DO YOU WANT, BANANAS FOR TEA OR ANTHRACITE FOR THE WINTER?



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course, NEDO personnel were particularly good at quantifying these factors we would all find NEDO publications indispensable reading and such personnel would make fortunes on the Stock Exchange and elsewhere.

Thus while export subsidies may be a valid political tactic to persuade other countries to get rid of their subsidies, I doubt they contain an ounce of economic logic. The frequency, however, with which Governments fail for the temptation of subsidising the balance of payments for no good reason greatly exceeds the frequency of the above valid political tactic or any other valid reason.

R. S. Musgrave, 24 Gordon Avenue, Framwellgate Moor, Durham.

Commoners rights attacked



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Successful Basque co-operative

The unorthodox survivor

By David White in Madrid

A BACKWOODS co-operative, originally the inspiration of a priest, and which started out making petrol stoves, may not be everybody's idea of the kind of company most likely to survive a recession.

But Uigor, now the largest Spanish-owned manufacturer of household electrical equipment, has survived better than its more orthodox rivals in an industry suffering from heavy losses, chronic overmanning and panic over the prospect of open competition in the EEC.

Almost 30 years after it was launched, the oldest of the industrial co-operatives at Mondragon in the heart of the Basque country is breaking new ground in microwave ovens and preparing to take a leadership role in government plans for reorganising the white goods sector.

Last year, the Spanish business magazine Diero named it as one of the country's 10 "exemplary" companies, a list in which six were subsidiaries of multinationals.

The Mondragon experiment is widely regarded as a model of its kind, a claim reinforced by the fact that Uigor adapted to the crisis faster than other non-foreign-owned companies in its field. But Uigor's manager, Jesus Catania, is reluctant to attribute this success to anything inherent in the co-operative system itself.

As a result, Uigor itself has devoted its energies to setting its original business back into shape. It has made big investments in new machinery in order to lower production costs, renewed its catalogue and changed its export policy.

Uigor has stopped sending cookers and refrigerators to Algeria at low profit margins and become more selective, concentrating on markets such as France, the UK, Benelux and West Germany. This has meant bringing standards up to EEC levels and building up a European commercial network.

Uigor has built up around itself a group known as Ularco, now totalling 12 co-operatives and employing 6,000. Other members of the group make castings, machinery and components. Activities have been extended to software, and an affiliated research unit, Ikerlan, is a pioneer of robotics in Spain.

The oldest of the industrial co-operatives at Mondragon, in the heart of the Basque country, is preparing for a leading role in the reorganisation of Spain's white goods sector.



not made for carrying out redundancies. Although Spanish law allows co-operatives to have 5 per cent non-members, at Uigor everybody is a co-owner, with an equal vote. In other companies, Spain's rigid labour rules, inherited from the Franco era, make it hard enough to sever job contracts.

Leavers take with them their share of profits and their entrance fee. This fee is currently Pta 650,000 (about £3,000) for new members, who can pay it over two years. The co-operative's profits are divided between reserves and distributed to members, via special accounts held on their behalf, on which they receive 6 per cent annual interest. When there are deficits, they are subtracted. Despite some big losses, Uigor managed to avoid reaching a point where its members, balances were in debt. Last year, according to Sr Catania, it was back in profit to the tune of about Pta 500m on sales of Pta 19bn.

The company makes four kinds of product, washing machines, refrigerators, cookers and dishwashers. All four are now viable, Sr Catania says. But he warns: "In future, if we join the EEC, we will have to recover the whole product line."

Entering the Common Market, which Spain aims to do in 1986, will mean more products available on the Spanish market (where consumers now have a very limited choice), and cheaper imports.

Sr Catania reckons a productivity improvement of 20 per cent is needed to compete — "practically a new factory." Production of washing machines and dishwashers has already been brought up to what he describes as a European level, and the company has begun converting its refrigerator operation with a "1.8bn investment programme."

The aim is a 30 per cent productivity gain on refrigerators. "This means that in 1987 we will have to be making the same fridges with a 30 per cent smaller workforce or 30 per cent more units with the same workforce."

Another 400 jobs are expected to be shed over the next four years, Sr Catania reckons that Uigor has the capacity to increase output of cookers and dishwashers by 50 per cent and to double that of fridges and washing machines. But the market is still weak.

With its three trademarks, Fagor, Aspes and Novelty, the company is sticking to the lower, non-electronic end of the market. But it is planning some new products, including a combined standard and microwave oven, the first of its kind in Spain, due in September.

The electrical sector, says Sr Catania, lost Pta 8bn last year and is dying a slow death, capitalised and deep in debt to the tax and social security authorities.

Several companies will be condemned to close wholly or partly, even before EEC entry. A Government commission last year recommended cutting off handouts to five companies whose situation was judged irreversible.

Plans based on a 1983 report by the McKinsey consulting firm are expected to lead to the formation of three loose groups in the sector. Two of these would be headed by Philips and Zanussi, which are well implanted in Spain, and the third by Uigor.

Advertisement for Scania trucks. Text: "There's a four letter word used less often by Scania drivers." Image: A Scania truck. Text: "Derv." "Ever seen a Scania truck actually taking on fuel? They do of course, but it's less often than a lot of other trucks. Why? Ever increasing traffic density, more and more sustained high speed running, and operator demands for more engine power with better and better fuel consumption, means constant engine development. To meet these demands the Scania engine range includes three Intercooled engines. With very high, flat torque output, they give the driver maximum pulling power over a wide engine rev range. Plus a more relaxed drive, with fewer gear changes. And that, of course, helps reduce that all-important fuel consumption. There's more good news. Scania trucks represent the ultimate in tough and handsome cabs. The latest are available in three sizes, aerodynamically designed and contoured to give 20% less air resistance than previous models. Add Scania wind deflectors and air resistance can come down by 30%. And lower air resistance means lower fuel consumption. Even then, that's not the end of it. The lowdown on Scania fuel economy goes on and on without a stop. Like our trucks. SCANIA Whichever way you look at it. Scania (Great Britain) Limited, Tongwell, Milton Keynes MK15 8HB, Buckinghamshire. Tel: 0508 614040. Telex: 825378.

valuations & rating



SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

Tuesday May 22 1984

Travis & Arnold logo and address: Timber, Building Materials, Heating and Plumbing Equipment for the Construction and Allied Trades. Northampton 52424.

Opening quarter upturn confirms Akzo recovery

BY WALTER ELLIS IN AMSTERDAM

AKZO, the Dutch chemicals and fibres group, has again confirmed the strength of its recovery with sharply improved results for the first quarter of this year. Sales rose by just over 15 per cent to Fl 4.2bn (\$1.35bn) compared with the first three months of 1983, while earnings jumped three and a half times to reach Fl 200m.

Loudon, group chairman, who spoke last spring of the need to improve ratios. Net income per common share advanced from Fl 1.71 to Fl 5.46 after allowance was made for a recent stock issue.

Petrie Stores set to buy U.S. chain

By Our Financial Staff

PETRIE STORES, the U.S. chain which operates more than 850 women's specialty clothing stores under various names in 45 states, is planning to acquire another U.S. chain in the same business for \$270.2m.

Atari expects to return to surplus this year

BY LOUISE KEHOE IN SAN FRANCISCO

ATARI, the video game and home computer subsidiary of Warner Communications, which has been operating at a loss for the past 18 months, will be "positioned to move toward profitability" by July 1, declares Mr James Morgan, chief executive.

degree of financial conservatism," he said. "If Atari had funds, it could take the risk, but it does not." In addition, he said, "Atari has a lot to learn about the distribution and sale of sophisticated equipment. Our distribution chains would not be suited to the product."

Vatican agrees to Ambrosiano settlement

By Alan Friedman in Rome

THE VATICAN bank, IOR, has initiated the \$406m financial settlement of the Banco Ambrosiano affair, thus clearing the way for a formal signing ceremony at the end of this week.

BfG sees 'satisfactory' results

BY JOHN DAVIES IN FRANKFURT

BANK für Gemeinwirtschaft (BfG), the West German trade union-owned bank, expects satisfactory results this year despite pressure on interest rate earnings.

Herr Thomas Wegscheider, the chief executive, said, however, that he viewed this as a return to normal profitability after the bank's "super-profit" of 1983.

Norsk Hydro to sell oil products again

BY FAY GJESTER IN OSLO

NORSK HYDRO, Norway's largest industrial and energy concern, is to begin retailing oil products again in its domestic market.

Ship and rig sales lift Fred. Olsen

BY OUR OSLO CORRESPONDENT

FRED OLSEN'S shipping group reports higher net profits for last year than in 1982, despite a marked decline in operating results. The five companies in the group are increasing dividends to 15 per cent from 12 per cent in 1982.

Norzink back in black

BY OUR OSLO CORRESPONDENT

NORZINK, the Norwegian zinc smelter owned jointly by BP Minerals International and Boliden of Sweden, achieved a pre-tax profit of Nkr 40.7m (\$5.17m) last year, compared with a deficit of Nkr 29.8m in 1982.

FRENCH ELECTRIC MOTOR MAKER PREPARES FOR A STORMY YEAR

All hands to the pumps at Leroy-Somer

BY DAVID HOUSEGO IN PARIS

SOME French companies believe the worst of the recession is behind them, but Leroy-Somer, the country's leading manufacturer of electric motors, is still battenning down the hatches in the expectation of rough seas ahead.

The overall stagnation in sales comes at a time when competitors such as Asea and Siemens still have substantial unused capacity, and this has provoked a fierce discount war.

year's FFr 150m. The Leroy-Somer parent company believes that it will have to shed 300 jobs this year through early retirement and its preparation for larger cuts in the last two years it has kept wage increases below the inflation rate - a task made easier by the modest FFr 300,000-350,000 salary taken by M Chavanet himself.

Advertisement for CIFER microcomputers. Text: "Staying on top of the latest microcomputer developments is a full-time job. Fortunately, you can rely on Cifer to do it for you." Includes image of a computer monitor and keyboard.

Globus plans to increase yearly payout

By John Wicks in Zurich

MAGAZINE Zum Globus, the Zurich-based department store group, is increasing its dividend for the financial year ended February 29 from SwFr 80 to SwFr 85 (\$37.50) per share and from SwFr 18 to SwFr 17 per participation certificate.

Net operating income rose by Nkr 125m to Nkr 664.4m. If demand for zinc continues to be good, the directors expect an even better result this year.

Advertisement for CNP (Companhia Nacional de Petroquímica, E.P). Text: "£31,000,000 Loan and Acceptance Credit Facility. Arranged by Lloyds Bank International Limited. Provided by Arab Banking Corporation (ABC), Lloyds Bank International Limited, Williams & Glyn's Bank plc, Westpac Banking Corporation, The Dai-ichi Kangyo Bank, Limited, The Kyowa Bank, Ltd., The Taiyo Kobe Bank, Limited, Bank of Ireland, Al Saudi Banque, Associated Japanese Bank (International) Limited. Agent Bank: Lloyds Bank International."

INTERNATIONAL COMPANIES and FINANCE

Acquisitions help ANZ lift net earnings by 36%

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIAN and New Zealand Bank Group, the second largest of the private Australian banks, has reported a 36 per cent increase in net earnings to A\$136m (U.S.\$122m) for the half year to March 31 including A\$10.4m of profits from acquisitions.

The opening half of last year saw volatile interest rates and squeezed margins for the banks. ANZ last year performed more strongly than Westpac, which was still suffering from merger indigestion.

Excluding profits for nine months of operations from the fund's management group, Development Finance Corporation, which was acquired last year, returns from other segments were ahead by 25.5 per cent to A\$125.4m. This compares with the 41 per cent improvement to A\$143.5m reported by Westpac Banking Corporation, the industry leader, 10 days ago and confirms the improvement in lending margins Australian banks have attained.

Email doubles profits and rejects bid from Austram

BY OUR SYDNEY CORRESPONDENT

EMAIL, the Australian white goods group, has produced a strong profits recovery, a forecast of further improvement and a scrip issue plus an increase in dividend as its riposte to an opposed takeover bid.

Custom Credit up by 15% at six months

By Our Sydney Correspondent

CUSTOM CREDIT Holdings, the National Australian Bank finance offshoot, has reported a 15 per cent increase in net profits to A\$14m (U.S.\$12.5m) for the six months to March 31. The improvement from the depressed A\$12.2m achieved by the two companies now merged as Custom Credit, however, represents a retreat from the A\$16.5m profit for the final six months of 1982-83.

Higher tax hits Suzuki Motor

BY OUR FINANCIAL STAFF

SUZUKI MOTOR lifted parent final dividend is raised from Y3 to Y3.5 lifting the total from Y6 to Y6.5 per share. Net earnings for the current year are forecast to rise by 10 per cent to Y5.5bn and pre-tax profits by 17 per cent to Y11bn on sales up by 10.6 per cent to Y580bn. The company intends to maintain the dividend at Y6.5 a share.

Interim advance for Barlow Rand group

BY OUR FINANCIAL STAFF

ATTRIBUTABLE earnings at Barlow Rand rose by 19 per cent in the six months ended March, from R103.1m to R122.7m (895.2m) despite R\$1m of additional taxes arising from changes announced by the government in March. But for the new tax measures, earnings per share would have been up by 17.3 per cent, after allowing for the additional 12m preferred ordinary shares issued in connection with the R149m rights issue early in the current year. After allowing for the new tax measures, earnings per share at Barlows, South Africa's largest industrial group, were up by 10 per cent, from 68.8 cents to 75.7 cents.

Further expansion by Citibank in Asia

By David Dodwell in Hong Kong

CITIBANK HAS acquired Mercantile Bank, which has operations in Hong Kong, London, and Thailand, from the Hongkong and Shanghai Banking Corporation for HK\$145m (U.S.\$15.5m).

Mr Victor Menezes, Citibank's country corporate officer based in Hong Kong, said yesterday that Mercantile would retain its own name. While expansion is planned in all three of Mercantile's territories, Mr Menezes said an important attraction of the deal was its branches in Thailand, where Citibank has only a representative office and a finance company. The purchase adds a final link to its international banking chain across the countries of Asia.

BANCO PINTO & SOTTO MAYOR U.S. \$30,000,000 Floating Rate Notes Due 1985. In accordance with the provisions of the above Notes, notice is hereby given that the rate of interest for the Interest Period from May 18, 1984 to November 19, 1984 has been established at 12 3/4% per annum.

FIRST CHICAGO OVERSEAS FINANCE N.V. U.S.\$100,000,000 Guaranteed Floating Rate Subordinated Notes Due 1994. For the three months 21st May, 1984 to 21st August, 1984 the notes will carry an interest rate of 11 3/4% per annum with a coupon amount of U.S.\$305.07.

These securities were offered and sold outside the United States. This announcement appears as a matter of record only. U.S. \$100,000,000 R.H. Macy Overseas Finance N.V. 11 3/4% Guaranteed Notes Due 1991. Unconditionally Guaranteed by Macy Credit Corp. Lehman Brothers International, Goldman Sachs International Corp., and a list of 40 other international banks.

This announcement appears as a matter of record only. Commercial Paper Program for Sterling Drug Inc. MORGAN STANLEY & CO. Incorporated. May 9, 1984.

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The Economist Intelligence Unit EIU Special Report No. 162

Financial Modelling with a Microcomputer: Software Choice and Hardware Selection

This report sets out criteria to be considered when selecting hardware and software for financial modelling exercises, outlines various modelling routines and gives worked examples of different types of model.

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- CARTON MAKING (New 1978) including: Stimp B, C and E. Pire Corrugator. Lines for cutting single colour printing and die cutting machines. M/C Cut 2-colour auto-printing and die cutting machines.
- INSULATING MATERIALS FACTORY: For producing insulating roofing felt.
- FORK LIFT AND PALLET TRUCKS (24). Used.

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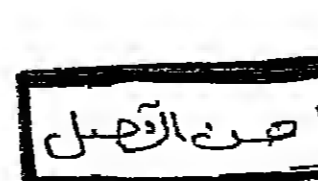
011 PIND FURNACE BOILERS

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A small chain of Bakery Shops in prime and secondary locations around Lancashire East. Two manufacturing bakeries, one large and one small.

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Old Established Company in the Home Counties selling WOOD COMPONENT PRODUCTS



Businesses For Sale

THE ASSETS AND BUSINESSES OF THE FOLLOWING COMPANIES ARE FOR SALE AS A RESULT OF THE RECEIVERSHIP OF LONDON AND LIVERPOOL TRUST PLC AND CERTAIN OF ITS SUBSIDIARIES

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COPY CONSULTANTS (WESTERN) LIMITED WEST COUNTRY

Distributors of photo copiers, together with maintenance and supplies, photographic equipment, facsimile and telex transmission equipment and graphic supplies. Turnover is approximately £3.2m

TALBOGRAPHIC LIMITED LEICESTER

Distributors of photo copiers, together with maintenance and supplies, facsimile and telex transmission equipment. Turnover is approximately £1.9m

EDINBURGH BUSINESS MACHINES LIMITED EDINBURGH

Distributors of photo copiers, together with maintenance and supplies, facsimile and telex transmission equipment. Turnover is approximately £1m

STRATHCLYDE OFFICE SERVICES LIMITED GLASGOW

Distributors of photo copiers, together with maintenance and supplies and facsimile transmission equipment. Turnover is approximately £1m

S.C. GRIEVE (OFFICE EQUIPMENT) LIMITED ABERDEEN

Distributors of photo copiers, together with maintenance and supplies, facsimile and telex transmission equipment. Turnover is approximately £600,000

NEW VENTURES

FAXCOM (LONDON) LIMITED LONDON

Distributors of facsimile transmission equipment. Initial 5 months turnover £50,000

OFFICE COMMUNICATIONS CENTRE LIMITED LONDON

Distributors of telex transmission equipment and radio paging systems. Operators of a retail colour copying service. Initial 5 months turnover £120,000

All enquiries to Nick Lyle, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422. Telex: 28984, or Roy Adkins, Kennedy Tower, St. Chads Queensway, Birmingham B4 6EL. Telephone: 021-236 4821. Telex: 337955, The Joint Receivers of London and Liverpool Trust PLC.

EXHAUST MANUFACTURE AND DISTRIBUTION

ERNEST BARNES (MOTOR FACTORS) LIMITED HULL

Distributors of exhaust systems to trade and retail customers. Turnover is approximately £350,000

J. LLOYD & SONS (SILENCER SERVICE) LIMITED STOKE ON TRENT

Distributors of exhaust systems to trade and retail customers. Turnover is approximately £450,000

E.M. EXHAUST MANUFACTURING (STOKE ON TRENT) LIMITED STOKE ON TRENT

A manufacturer of a range of exhaust systems selling to distributors and parts suppliers. Turnover is approximately £1.4m

THOMAS GLOVER (MOTOR FACTORS) LIMITED BOLTON

Distributors of exhaust systems to trade and retail customers. Turnover is approximately £750,000

ENGINEERING AND DISTRIBUTION

HARTLEY PRECISION ENGINEERING CO. LIMITED MERSEYSIDE

Precision engineering sub contractors, manufacturers of tools and machinery and general engineering. Turnover is approximately £750,000

HIATT & CO. LIMITED BIRMINGHAM

Manufacturers and distributors of police and security equipment together with other specialized metal products. Turnover is approximately £800,000 of which some £300,000 is to export customers.

HIATT HARDWARE LIMITED BIRMINGHAM

Importers and distributors of general hardware. Turnover is approximately £600,000

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L.O.S. OFFICE SUPPLIES LIMITED L.D.S. OFFICE SUPPLIES (BIRMINGHAM) LIMITED LEICESTER AND BIRMINGHAM

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Thornton Baker



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Automatic Welding Machine Manufacturing Division

—Profitable with valuable patents for oil pipeline welding equipment
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—Sales up to 3,000 tons per year of fused and agglomerated flux
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ALSO AVAILABLE

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LARGE TURNOVER Write Box G9761 Financial Times 10 Cannon Street, EC4P 4BY

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ESTABLISHED RETAIL COMPANY Hi-Fi, AUDIO and VIDEO PRODUCTS

The company has 3 well positioned retail outlets, its head office and warehouse, in Tottenham Court Road, London W1, all on good leases. There are substantial retail and warehouse stocks. Sales £3m per annum approx. Enquiries to The Joint Receivers and Managers, P. R. Copp, FCA and G. A. Auger, FCCA (ref EYLB) on 01-486 5858 or in writing.



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Precision Engineering

Walsall

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Operating from modern freehold premises with easy access to the M6, turnover is in excess of £270,000 p.a. Current order book in excess of £150,000

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Well established and expanding retail service group with some 25 high street outlets operated under a proven franchise format, for sale. Turnover of outlets in current year projected at nearly £2 million. Experienced management team. Unique opportunity to enter this franchise field through an established vehicle with excellent growth prospects.

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Spicer and Pegler

Chartered Accountants

TUBE STOCKHOLDER & FACTORING BUSINESS

Including facilities for bending, cutting and finishing, wide range of waste related stocks. Turnover approximately £3m per annum. Plant, stocks and freehold site approximately 140,000 sq ft in total area.

Principals only apply to: ERNST AND WHINNEY

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One of the leading manufacturers of large bore polythene pipe. Turnover approximately £1.5m per annum. Plant, stocks and freehold approximately 115,000 sq ft total area. West Midlands location close to motorway link.

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ERNST AND WHINNEY

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The Group is engaged in the manufacture of fire dampers and air control equipment for offshore drilling rigs/production platforms and the onshore heating and ventilating industry.

- * Modern leasehold premises at Tetbury, Gloucestershire
- * Skilled and loyal work-force
- * Turnover year ended 30.9.83, £2.3M
- * Substantial order book.

For further details, contact: The Receivers or M. T. Fitzgerald at:

Arthur Andersen & Co., Broad Quay House, Broad Quay, Bristol BS1 4DJ. Tel: (0272) 277436 Telex: 444169



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comprising a saasida family leisure centre complete with amusement games, amusement machines and gaming machines. Rapidly rising profits, only selling as buying a larger business in the same field. No knowledge of the business required as seller will give all necessary advice and help. Accountants profit estimate for current year £65,000. Price £200,000.

Write J. and S. Newberry 9 Beechnut Lane, Solihull, West Midlands B91 2NN

MINING NEWS BIDS AND DEALS

Zinc price rise lifts Hudbay

BY GEORGE MILLING-STANLEY

RIISING ZINC prices and higher sales volume combined to offset the comparatively poor performance by copper, gold and silver prices...

Marinduque to resume production of nickel

BETTER NEWS for the financially-troubled Marinduque Island...

which reached 104,381 tonnes last year. Another big mining group in the Philippines suffered a sharp reversal of fortunes in the first quarter of this year...

IN BRIEF

Net profits of South Africa's Trans-Natal Coal Corporation in the second quarter slipped to R9.06m (£3m) in the first three months of the year...

Minister may rule against Lonrho's move on Fraser

BY JOHN MOORE, CITY CORRESPONDENT

SIR GORDON BORRIE, director general of the Office of Fair Trading, was yesterday preparing to submit recommendations to Mr Norman Tebbit...

Human food move by Pauls & Whites

BY ALEXANDER NICOLL

Pauls & Whites, the animal feeds, malt and essences and fragrances group, yesterday started a major diversification drive when it agreed to pay £5.5m for the 51 per cent stake...

De Vere talks cease as chairman refuses terms

BY ALEXANDER NICOLL

De Vere Hotels and Restaurants said yesterday it had terminated talks on potential bids for the company because its chairman, Mr Leopold Muller...

Hadland shares soar 68p

THE SHARE price of Hadland Holdings a camera and graphic arts equipment group...

BIDS AND DEALS IN BRIEF

Bregreen, a contract cleaning and refuse collection company, said yesterday it had acquired a 75 per cent stake in Singapore cleaning company Ender Clean Services...



BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT TO SHAREHOLDERS FOR THE SIX MONTHS ENDED 31 MARCH 1984

CONSOLIDATED PROFIT

The unaudited consolidated results of Barlow Rand Limited and its subsidiaries for the six months ended 31 March 1984, together with the results for the same period last year and the audited results for the year ended 30 September 1983, are:

Table with columns: Six months ended 31 March 1984, Six months ended 31 March 1983, Percentage change, Year ended 30 September 1983. Rows include Turnover, Group operating profit before interest, Interest paid, etc.

Table with columns: R million 1984, R million 1983, Cents. Rows include Items not charged against earnings attributable to ordinary shareholders (Note 3), Deferred tax rate adjustment charge, etc.

NOTES

1. Taxation The changes in the basis of taxation announced in the 1984 Budget have had a material adverse effect on the group's results...

Table with columns: R million 1984, R million 1983, Cents. Rows include Increased rate of taxation, Other changes, etc.

2. Change in the basis of accounting In compliance with the recent accounting standard, the results of associated companies and non-consolidated subsidiaries have been accounted for under the equity method...

Table with columns: 6 months ended 31 March 1984, 6 months ended 31 March 1983, Year ended 30 September 1983. Rows include Cents, Items not charged against earnings...

RESULTS

Trading results for the six months exceeded expectations. Increased operating profits resulted from better trading and from improved efficiencies in all divisions.

DIVISIONAL TRADING

The cement and lime division performed strongly as a result of increased demand for cement. The contribution made by the newly formed earthmoving equipment, motor and appliance division also improved substantially due to an increased level of business activity in its markets.

PROSPECTS

It is expected that trading conditions for the second half of the year will become more difficult. With the decline in the gold price, the cost of the drought and the consequent weakening of the South African balance of payments position...

ORDINARY DIVIDEND No. 109

Notice is hereby given that an interim dividend of 21.0 cents per ordinary share has been declared payable to shareholders registered in the books of the company at the close of business on 8 June 1984.

PREFERRED DIVIDEND No. 1

Notice is hereby given that an interim dividend of 52.5 cents per preferred ordinary share has been declared payable to shareholders registered in the books of the company at the close of business on 8 June 1984.

By order of the Board K. A. 999 Secretary

Registered Office: 9erlov Park, Kethere Street, Sandton 2195 - South Africa

Transfer Secretaries: Rand Registrars Limited, 2nd Floor, Devonshire House, 43 Jorissen Street, Braamfontein, 2001 - South Africa

United Kingdom Registrar: Loyds Bank Limited, Registrar's Department, The Causeway, Goring-By-Sea, Worthing, West Sussex BN12 9DA, England

Commercial Union Assurance Company PLC has acquired The French Insurance and Savings company L'Epargne de France...

Why do food manufacturers hunger for SyFA? Because corporate results depend on the speed with which foodstuff turnover in the distribution depot and retail outlets...

12 + 83 = 1. 12 months after our appointment as financial public relations consultants, the IFR Sword of Excellence for 1983 has been awarded to our client, BET.

Barlow Rand Limited. Registered Office: 9erlov Park, Kethere Street, Sandton 2195 - South Africa. Transfer Secretaries: Rand Registrars Limited, 2nd Floor, Devonshire House, 43 Jorissen Street, Braamfontein, 2001 - South Africa.

UK COMPANY NEWS

Companies and Markets

TRANS-NATAL COAL CORPORATION LIMITED

Financial table for Trans-Natal Coal Corporation Limited showing quarterly and nine-month figures for 1983 and 1984. Includes metrics like Tons sold, Group Income, and Net Income before tax.

Earnings per share for nine months: 49 cents (1983; 60 cents). Notes detailing tax adjustments and company strategy.

ROHAN GROUP logo and name

Industrial and Commercial Developers, Designers, Contractors and Investment Property Holders

RESULTS FOR THE YEAR ENDED 31st DECEMBER. Table comparing 1983 and 1982 figures for Trading profit, Surplus, Earnings per share, Dividends, etc.

"From a substantial financial base we look forward to the future with confidence". Chairman

Copies of the Report and Accounts available from the Secretary.

Rohan Group plc, 5 Mount Street Crescent, Dublin, 2, Ireland. 33 Cork Street, London, W1X 1HB.

IRELAND - UNITED KINGDOM - UNITED STATES OF AMERICA

Espley down to £1.78m and cancels planned final

Profits before tax at Espley Trust, the property investment, development, construction and housebuilding group...

There was an extraordinary debit of £174,000 against £87,000 restated by the inclusion of additional losses of £87,000 arising from the write-offs of the company's investment in an overseas partnership...

There are plans to issue shares to the public in two of the group's overseas companies... The proposed public offering of American Property was earlier postponed...

there were two interims totalling 4.85p. Excluded from the results, because it will be a reserve movement only...

comment The arresting feature of yesterday's announcement is that Mr Ron Shuck, speculative property developer...

The UK construction and housebuilding division - which contributed around £64m turnover to the group...

Interest payable amounted to £288,000, down from £238,000, and amortisation of goodwill took an unchanged £230,000. The tax charge was up from £333,000 to £381,000...

Brooke Tool advances £0.23m and expects to resume dividends

THE STEPS taken by Brooke Tool Engineering (Holdings) to improve efficiency enabled the group to take full advantage of an improved trading climate during the half year ended March 31 1984.

On the back of a £0.73m rise in turnover to £4.85m pre-tax profits for the period advanced to £191,800 to £419,000 and the directors say they expect to resume dividends at the year-end...

In their interim report they reveal that the group's cutting tool activities are trading at increasing levels in an improving world market. They say, however, that the dispute in the coal mining industry, which is a major customer of two of Brooke's subsidiaries, had an adverse effect on the first half profits and warn that this will inevitably cause a significant reduction in the second half result.

BOARD MEETINGS

Table listing board meetings for various companies including Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

Radio City declines but holds interim

Pre-tax profits of Radio City (Sound of Merseyside) declined from £265,000 to £233,000 for the half year ended March 31 1984...

The directors are recommending an ordinary dividend of 2p, an eightfold increase over the dividend of 2.5p in the previous 12 months to April 30 1984.

The figures were achieved on turnover which increased from £4.0m to £4.5m, producing an improved operating profit of £2.09m, against £1.42m. Ivory and Sime (Oil and Gas, a Delaware-based subsidiary, contributed £9,000 (nil).

Ivory & Sime profit up 90% and payout boosted

IN ITS FIRST full year as a listed company Ivory and Sime, the Scottish fund management group, has reported a 90 per cent increase in taxable profit, up from £26,000 to £76,000 in the 12 months to April 30 1984.

The directors are recommending an ordinary dividend of 2p, an eightfold increase over the dividend of 2.5p in the previous 12 months to April 30 1984.

The directors state that prospects for the current year depend largely on new business and stockmarket levels...

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including A.B.N. Bank, Allied Bank, Amro Bank, etc.

BIDS AND DEALS IN BRIEF

Firekil will cease to have any further connection with Ward, but will continue to operate from existing premises. No staff redundancies are envisaged and the group will continue to trade under its present name.

OSLO FINANS A/S

AGDERBANKEN BERGEN BANK A/S CHRISTIANIA BANK OG KREDITKASSE SPAREBANKEN OSLO AKERSHUS SUNNMORSBANKEN A/S

Companhia Nacional de Petroquímica, E.P. Japanese Yen Bonds-Series A (1984) ¥5,000,000,000. Guaranteed by The Republic of Portugal.

NOK 100,000,000 COMMERCIAL PAPER PROGRAM. ISSUED BY INVESTA. PROVIDED BY AGDERBANKEN BERGEN BANK A/S CHRISTIANIA BANK OG KREDITKASSE SPAREBANKEN OSLO AKERSHUS SUNNMORSBANKEN A/S

Daiwa Securities Co. Ltd. The Nippon Credit Bank, Ltd. The Tokai Bank, Ltd. New Japan Securities Co., Ltd.

As part of an internal re-organisation of the Seagram Group, shares of Seagram Distillers owned by Seagram Investments, Texas Pacific Oil (UK) and Joseph Seagram and Sons, were acquired on May 14 by Seagram Holdings.

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Tuesday May 22 1984

NEW YORK STOCK EXCHANGE 34 WORLD STOCK MARKETS 34 LONDON STOCK EXCHANGE 35-37 UNIT TRUSTS 38-39 COMMODITIES 40 CURRENCIES 41 INTERNATIONAL CAPITAL MARKETS 42

WALL STREET

Attention still centred on Chicago

THE UNFOLDING of the \$7.5bn aid package for Continental Illinois kept Wall Street busy yesterday, with the injection into the markets of the federal cash involved being reflected in a further easing in short-term interest rates, writes Terry Byland in New York. Leading stocks meanwhile held below last week's closing levels for much of the day, but turnover was moderate and there was little attempt to sell. The revision of GNP statistics for the first quarter to show economic growth at a 6.8 per cent annual rate buoyed confidence in the equity market. Also helpful was an upgrading of debt issues of the big three Detroit motor manufacturers. The Dow Jones industrial average closed 8.48 down at 1,125.31. In the credit markets, the Federal Reserve again acted to drain reserves by overnight matched sales-purchase arrangements when the federal funds rate had fallen to 9 1/2 per cent. The first two days of this week bring the regular monthly meeting of the Federal Open Market Committee, where the board will review credit policies in the light of the latest developments. Credit

market analysts believe that despite the evidence of continued economic growth disclosed in last week's economic data, the Fed will be unwilling to tighten credit policies until the problems of Continental Illinois have died down. The market view seemed in accord with that expressed in London by Mr Malcolm Baldrige, the U.S. Commerce Secretary. Rates on bank certificates of deposit eased in response to the action taken to aid Continental, with CDs of the Chicago bank sharing in the general recovery. In the stock market, Continental Illinois' equity also improved, putting on an early 3/4 to 1 1/4% in busy trading which

The closing Wall Street report and updated U.S. market monitors were unavailable because of continuing industrial action at the Financial Times' printers in Frankfurt. We regret full Wall Street stock price lists were not available for this edition because of a computer failure in New York. A reduced listing appears on Page 34.

took it to the top of the market's active list at mid-session. But other banking issues continued to weaken as the market awaited developments on the plans to merge Continental with another bank. First Chicago, which rejected suggestions that it would be the partner, dropped \$2 to \$21 1/2. Chase Manhattan fell 1/4 to \$43, and Citicorp at \$31 1/2 lost 1/4. Airline issues gave further ground on the fear that the Middle East flare-up could lead to higher oil prices, which are a major cost factor. Northwest Air

dipped 5/8 to \$35 and Delta gave up an early rise to stand unchanged at \$30. Industrial stocks remained on the defensive as investors awaited calmer news from the Middle East, or from domestic credit markets. Some early buying demand melted away as bond prices came off the top. General Motors, which announced that it is considering a move into the data processing business, edged up 3/4 to \$82 1/2. But General Electric remained unchanged at \$53 1/2. IBM shed 5/8 to \$109 in modest trading. Oil share prices were a shade firmer in response to the developments in the Gulf. Exxon at \$42 1/2 gained 1/4. But the chief features of the energy sector remained the takeover situations. Shell Oil traded actively at \$56 1/2, a net loss of 3/4, with the market expecting the bid from the parent company to proceed without problems. Occidental Petroleum dipped 5/8 to \$34 1/2 on the absence of further bid news. Weaker spots in the stock market included Upjohn, the pharmaceutical group, down 1 1/4 at \$66, and Cummins Engine, 1 1/4 off at \$70. There was some further buying of technology issues, with Texas Instruments 1 1/4 higher at \$139 and Digital Equipment 3/4 better at \$90 1/2. Turnover was again heavy in Walt Disney, which eased 5/8 to \$62 1/2 as the arbitrageurs who have built up stakes in the film and entertainment group looked for a bid from Reliance Holdings in response to the move by the Disney board to link with the Bass family interests. The bond market opened with gains of around half a point as the technical recovery was taken a stage further. Support died away at mid-morning, however, and gains were trimmed to a mere 1/8. The new key long bond, the 13 1/2 per cent of 2014, added 1/8 to 98 1/2. The market was quiet with most of the interest at the short end.

EUROPE

Frankfurt fights off the setbacks

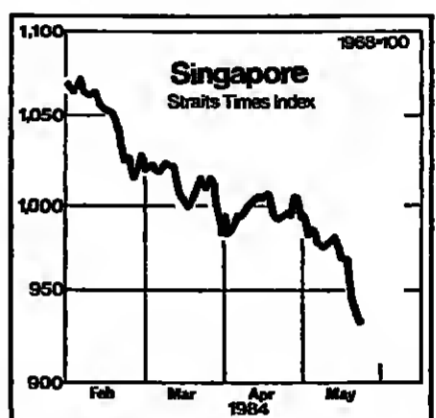
MOST EUROPEAN centres drifted lower yesterday, with the most prominent exception being West Germany where car makers reversed part of last week's losses generated by industrial unrest. The Frankfurt revival, reflected in a 6.6 point gain in the Commerzbank index to 1,011.6, was widespread with blue-chip motors and some chemicals registering welcome advances. Daimler surged DM 12.30 forward to DM 578.80, BMW was DM 3.90 stronger at DM 383 and VW managed to rise DM 1.70 at DM 190.70. Hopes that a new round of talks between employers and the IG Metall union over a 35-hour work week would reach agreement was the source of the rebound in prices. Broadly higher chemicals saw Schering rise DM 5.50 to DM 343.50, BASF improve DM 2.30 to DM 165.80 and Hoechst gain DM 2.10 to DM 174.80. Engineering issues edged higher while banks proved sharply mixed, with Deutsche Bank DM 3 up to DM 366.80 ex-dividend and Commerzbank DM 6.50 off at DM 164. Bonds were little changed as the Bundesbank sold DM 16.3m of public paper after purchases of DM 28.6m on Friday. Political discontent over the basing of cruise missiles in the Netherlands and Wall Street's previous lacklustre performance cast a shadow over Amsterdam, although the ANP-CBS general index lost only 0.2 to 165.5 and the bond market traded slightly firmer. A weaker dollar moved against international with Philips 80 cents off at FI 47, Unilever FI 3.50 down at FI 247 and Akzo 10 cents lower at FI 98 despite substantially higher first-quarter net profits. Royal Dutch proved the exception with a FI 1.50 advance to FI 184.20 on buying interest from the UK and U.S. Paris drifted lower in dull trading as investors began to square positions in preparation for the new monthly trading account tomorrow. The annual was reflected in declines outnumbering advances by a margin of two-to-one. The most stimulating performer was Carrefour, FFR 25 ahead at FFR 1,711, while other food retailers and processors were mainly marginally weaker or unchanged. BSN Gervais was particular-

ly poor with a FFR 50 drop to FFR 2,585. Matra's FFR 69 decline to FFR 1,401 helped erase most of last week's gain and it is now trading near its low for the year. The failure to alter non-disclosure regulations of Swiss banks by referendum did not surprise Zurich investors and most shares finished slightly lower in moderate trading. Bank Leu slipped SwFr 125 to SwFr 4,000, Union Bank was unchanged at SwFr 3,625 and Swiss Bank added SwFr 1 to SwFr 361. Chemicals, financials and oils were lower in sluggish Brussels trading, which saw utilities mixed and market leader Petrofina surrender BFR 20 to BFR 8,050. Major industrial shares turned sharply lower in Milan with only a few issues resisting the trend. Fiat lost L105 to L140, Montedison slipped L2 to L205, while Olivetti moved L56 stronger to L5,200. In Oslo, Norsk Hydro's move back into petroleum product retailing saw a NKR 39 rise to NKR 721 with healthy gains also for Norsk Data, up NKR 6 to NKR 321, and Storebrand, NKR 5.50 ahead at NKR 243. Stockholm began the week mixed in thin trading.

TOKYO

Languid day leaves most lower

A SHORT-LIVED rise in morning Tokyo trading provided the only relief in an extremely languid session, and the market closed lower, writes Shigeo Nishiwaki of Jiji Press. The higher opening mirrored a rally on Saturday, with the Nikkei-Dow market average posting an early gain of more than 35 points. As buying ceased in the middle of the morning session, small-lot selling set in and the 225-issue indicator closed 65.23 lower at 10,164.97. Losses sharply outnumbered gains 421 to 219, with 158 issues unchanged, a volume of only 186.53m shares. Of the 10 most actives, however, seven showed gains. Volume leader was Marubeni with 12.75m shares changing hands, followed by Aoki Construction on 6.83m. Marubeni soared Y16 at one stage on rumours of gold prospecting in Alaska, but finished only Y1 up at Y401. Aoki advanced Y14 to Y974, apparently reflecting last week's announcement of gold mining in Brazil. The Nikkei-Dow had nose-dived 469.97 over two days from last Thursday. After the Tokyo Stock Exchange lowered margin requirements from 60 per cent to 50 per cent, the indicator staged a rally of 103.22 on Saturday to stay above the 10,000 mark. Buying yesterday concentrated on oils and non-ferrous metals in view of the increasing tension in the Middle East. Teikoku Oil added Y15 to Y745 and Sumitomo Metal Mining Y30 to Y1,850. Small-lot selling pushed Hitachi, the focus among blue chips, down Y13 to Y830. This increased investors' wariness, and NEC dropped Y10 to Y1,170 and Matsushita Electric Industrial Y30 to Y1,880. High-priced issues also declined, together with machinery, precision instrument and commerce stocks. Kyocera lost Y60 to Y5,530. Stock prices are expected to remain in an adjustment phase for some time in the absence of a powerful stimulus such as a sharp rally on Wall Street. Interest rate movements in the U.S. continued to weigh heavily on the bond market and most institutional investors kept away. In extremely slow trading, the yield on the barometer 7.5 per cent government bonds maturing in January 1993 rose from 7.34 per cent on Saturday to 7.36 per cent.



SINGAPORE OVERSEAS institutions were again identified as sellers in Singapore and, although trading remained light, the Straits Times Industrial Index slid 18.37 to 930.43 to stand at a 1984 low.

Domestic interest was also being dampened ahead of key elections on Friday within Malaysia's leading political party, and ahead of month-end settlements which were thought likely to squeeze some investors who had bought on margin before the latest setbacks. Sime Darby, the day's most active on just over 10 per cent of the total 7.4m shares traded, shed 5 cents to S\$2.16. Pan Electric fared poorly with an 11 cent fall at S\$1.82.

KEY MARKET MONITORS

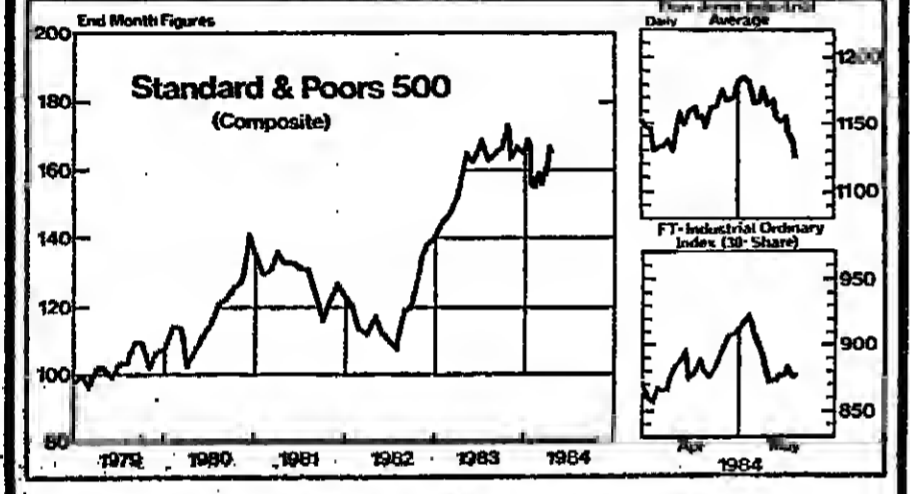


Table with multiple columns: STOCK MARKET INDICES (New York, London, Tokyo, Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, World), CURRENCIES (U.S. Dollar, Sterling), INTEREST RATES (Euro-currencies, FT London Interbank), U.S. BONDS (Treasury, Corporate), FINANCIAL FUTURES (Chicago), and COMMODITIES (Silver, Copper, Coffee, Oil).

LONDON Preference is for the sidelines

THE FINANCIAL difficulties of Continental Illinois, which bailed a recovery in leading London equities and gilts on Friday, remained a drag on sentiment yesterday. Hopes that the problems of the U.S. bank might be contained boosted confidence slightly, but the majority of investors were content to remain on the sidelines and to keep a watchful eye on developments in the Gulf and the course of American interest rates. The FT Industrial Ordinary Index managed to rise 1.6 to 676.2. Most blue chips fluctuated within narrow limits with oil shares maintaining a firm trend. British Petroleum gained 6p to 340p, and Britoil was a similar amount ahead at 266p. Confidence appeared to be lacking in government securities. Quotations at the long end of the market tended to drift back with gains of about 1/4 for the day. Rises in shorter-dated issues were limited to 1/4. Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37.

THE DECLINE in Sydney steepened and accelerated as the All Ordinaries index fell 10.7 to a low for this year of 714.7. Golds, drawing benefit from firm bullion values, were the only area to ward off the downward pressure. The gold miners showed Central Norseman 16 cents stronger at A\$6.06, but elsewhere on the resource side the picture was bleak. BHP fell 25 cents to A\$10.35, EZ Industries 18 cents to A\$4.90 and Vamgas 5 cents to A\$3.15. Weakness in BHP was attributed partly to its involvement in an exploratory Timor Sea oil well, results from which were still far from clear. Of the others connected with the project, Ampol Exploration slid 30 cents to A\$3.90 and Weeks Australia 16 cents to A\$1.40.

MOVEMENTS were minimal in Hong Kong as trading quietened further and the Hang Seng index, after fluctuating either side of its pre-weekend close, settled 2.72 lower at 893.01. Falls of 5 cents were common to Cheung Kong and New World Development on the property side at a respective HK\$7.95 and HK\$2.95, while rises of that amount were managed by Hongkong Land at HK\$3 and Hongkong Electric at HK\$5.25.

THE STRENGTH being evidenced in precious metal prices allowed strong gains to Johannesburg golds, but outside this area the dampening influence of peak interest rates prevailed. Randfontein gained R6 at R189.50 and FS Geduld R1.75 at R52, while among the mining financials Amgold put on a more muted 90 cents to R147.50 and Gold Fields of SA 75 cents to R28.50. De Beers at R9.40 was 5 cents firmer. Rustenburg Platinum was another strong spot, adding 35 cents to R15.

Venture Airways the first class experience Coventry to Paris

Advertisement for Venture Airways featuring a photograph of a woman sitting in an airplane cabin. Text describes the service: 'There's a new, first class experience in the air - Venture Airways flying to Paris (Charles de Gaulle) from Coventry Airport. Twice daily return flights (Monday to Friday inclusive, plus evening return on Sundays), give you the maximum business hours in Paris. Connections are available from Paris to over 170 destinations worldwide with Air France and other international airlines. Latest check in is fifteen minutes before take-off and you select your own seat on arrival. Car parking at Coventry Airport is free. For more information about the first class experience of Venture Airways ask your local travel agent or phone Coventry 307020.'

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including various company names and their stock prices.

CANADA

Table of Canadian stock market data including various company names and their stock prices.

AUSTRIA

Table of Austrian stock market data including various company names and their stock prices.

GERMANY

Table of German stock market data including various company names and their stock prices.

NORWAY

Table of Norwegian stock market data including various company names and their stock prices.

INDICES

Table of various stock indices including New York, London, and other regional indices.

LONDON

Table of London stock market data including various company names and their stock prices.

Advertisement for Danish companies with the headline 'What's special about these Danish companies?' and a list of companies.

Advertisement for the Financial Times European Edition with the headline 'They are all regular readers of the FINANCIAL TIMES • European Edition'.

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MARKET REPORT

Markets stage modest rally but investment confidence still lacking—index up 1.8 at 876.2

Account Dealing Dates

*First Declared Last Account Dealings Dates... May 10 May 11 May 12 May 13 May 14 May 15 May 16 May 17 May 18 May 19 May 20 May 21 May 22 May 23 May 24 May 25 May 26 May 27 May 28 May 29 May 30 May 31

hand, were bolstered by a Broker's circular and finished 5 to the good at 480p. Reflecting... The financial difficulties of Continental Illinois, which halted the recovery movement in both UK leading shares and Government securities, remained a drag on London stock market sentiment yesterday.

Most blue chips fluctuated within narrow limits before settling in a shade firmer on balance. Lower opening indications from Wall Street failed to dampen lists... A slightly better trend developed in Government securities, but there too confidence appeared to be lacking.

Interest in ICI was at a low ebb and, after shading to 590p early on the price being the level for the rest of the session. Laporte, the subject of a broker's recommendation last week, drew fresh support and rose 10 to 470p.

Life insurers rise... A lacklustre day in insurance was considerably enlivened after-hours by a sudden demand for Life's issues following reports of an impending takeover.

Buyers showed sporadic interest for Footwear issues. FTI firmed 5 to 210p after a newsletter recommendation.

U.S. banknotes... U.S. banknotes, currencies continued to decline. Week-end press speculation that Lloyds could be involved in a rescue bid for the Continental Illinois Bank of Chicago left the pound...

Mediana highlighted the electricity sector, soaring 6 1/2 to 440p on news of a bid approach. Louis Newmark revived with a speculative spurt of a 20 to 205p and

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, May 19, May 18, May 17, May 16, May 15, May 14, Year Ago. Rows include Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index Name, High, Low, S.E. Activity. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

ICL hardened a couple of pence to 66p in response to Press comment. JSD Computer, however, fell 6 to 250p.

Extel jump... Boots provided an isolated firm feature among the Miscellaneous Industrial leaders, rising 5 to 177p.

support and dropped 10 to 194p. Reliant Motor dealt in the Unlisted Securities Market, advanced 6 to 44p following country support.

Leading Properties traded quietly and closed with small interest movements, but secondary issues displayed a weak feature in Espley Trust which plummeted 24 to 65p.

BP gain ground... Leading domestic oils were a firm market throughout the day and picked up momentum in after-hours trading on completion of the bid.

RECENT ISSUES

Table with columns: Issue Name, Price, etc. Rows include various company issues.

FIXED INTEREST STOCKS

Table with columns: Issue Name, Price, etc. Rows include various fixed interest securities.

"RIGHTS" OFFERS

Table with columns: Issue Name, Price, etc. Rows include various rights offers.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates.

RISES AND FALLS YESTERDAY

Table with columns: Index Name, Change, etc. Rows include various market indices.

OPTIONS ACTIVE STOCKS

Table with columns: Option Name, Price, etc. Rows include various options.

LONDON TRADED OPTIONS

Large table with columns: Option Name, Calls, Puts, etc. Rows include various traded options.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Equity Groups, Index Name, Index Value, etc. Rows include various equity groups.

FIXED INTEREST

Table with columns: Price Indices, Index Name, Index Value, etc. Rows include various fixed interest indices.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, etc. Rows include various European options.

WOLSELEY HUGHES Central to Britain's heating Plumbing and Heating suppliers in the UK and U.S. Agricultural Machinery, Engineering, Plastics.

FT LONDON SHARE INFORMATION SERVICE

HOTELS-Continued

BRITISH FUNDS

Table of British Funds including Short-Term (Lives up to Five Years) and Five to Fifteen Years categories.

Table of Over Fifteen Year funds.

Undated

Table of Undated funds.

Index-Linked

Table of Index-Linked funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of Loans.

Public Board and Ind.

Table of Public Board and Industrial shares.

Financial

Table of Financial shares.

FOREIGN BONDS & RAIS

Table of Foreign Bonds and Rais.

AMERICANS

Table of American stocks.

BEERS, WINES-Cont.

Table of Beers and Wines.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

DRAPERY & STORES-Cont.

Table of Drapery and Stores.

ENGINEERING-Continued

Table of Engineering stocks.

ELECTRICALS

Table of Electricals.

CANADIANS

Table of Canadian stocks.

BANKS, HP & LEASING

Table of Banks, HP & Leasing.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

FOOD, GROCERIES, ETC

Table of Food, Groceries, etc.

DRAPERY AND STORES

Table of Drapery and Stores.

ENGINEERING

Table of Engineering.

HOTELS AND CATERERS

Table of Hotels and Caterers.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits.

INDUSTRIALS (Misc.)

Large table of Industrial (Miscellaneous) stocks.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like BP, Shell, and ICI, with columns for stock price, high/low, and other financial metrics.

LEISURE—Continued

Table of leisure stocks including companies like B&W, GKN, and JCB, with columns for stock price, high/low, and other financial metrics.

PROPERTY—Continued

Table of property stocks including companies like British Land, Ebury, and GVA, with columns for stock price, high/low, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American, British Columbia, and British Overseas, with columns for stock price, high/low, and other financial metrics.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like BP, Shell, and Esso, with columns for stock price, high/low, and other financial metrics.

NOMURA INTERNATIONAL LIMITED NEW ERA INVESTMENT AND UNDERWRITING OFFICES WORLDWIDE 3 Gracechurch Street EC4A 3AD Telephone 011 281 8111

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover, Jaguar, and Bentley, with columns for stock price, high/low, and other financial metrics.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Leyland, Daimler, and Iveco, with columns for stock price, high/low, and other financial metrics.

SHIPPING

Table of shipping stocks including companies like P&O, Cunard, and British Overseas Airways, with columns for stock price, high/low, and other financial metrics.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Clarks, G. P. & J., and J. & S., with columns for stock price, high/low, and other financial metrics.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International, Newsprint, and Newsprint, with columns for stock price, high/low, and other financial metrics.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint, Newsprint, and Newsprint, with columns for stock price, high/low, and other financial metrics.

TEXTILES

Table of textile stocks including companies like J. & S., G. P. & J., and Clarks, with columns for stock price, high/low, and other financial metrics.

TOBACCO

Table of tobacco stocks including companies like J. & S., G. P. & J., and Clarks, with columns for stock price, high/low, and other financial metrics.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British American, British Columbia, and British Overseas, with columns for stock price, high/low, and other financial metrics.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

OPTIONS—3-month call rates

Table of 3-month call rates for various options including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

INSURANCES

Table of insurance stocks including companies like British American, British Columbia, and British Overseas, with columns for stock price, high/low, and other financial metrics.

PROPERTY

Table of property stocks including companies like British Land, Ebury, and GVA, with columns for stock price, high/low, and other financial metrics.

INVESTMENT TRUSTS

Table of investment trusts including companies like British American, British Columbia, and British Overseas, with columns for stock price, high/low, and other financial metrics.

OIL AND GAS

Table of oil and gas stocks including companies like BP, Shell, and Esso, with columns for stock price, high/low, and other financial metrics.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

FINANCE

Table of finance stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, high/low, and other financial metrics.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgmt., Abbey Unit Tr. Mgmt. (a), Abbey Unit Tr. Mgmt. (b), etc., with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Table listing FT Unit Trust Information Service details, including names of trusts, managers, and contact information.

Table listing various financial services and trusts, including names, addresses, and contact details.

INSURANCES

Table listing insurance companies and their services, including names, addresses, and contact information.

Insurances—continued

Table listing insurance companies and their services, including names, addresses, and contact information.

Table listing insurance companies and their services, including names, addresses, and contact information.

F.T. CROSSWORD PUZZLE No. 5422

- ACROSS
1 Reckon from pop you require one looked on as leader (6-6)
10 A Roman's possibly seen in a row (7)
11 Shabbier and more than sticky (7)
12 Gather round in foreshore (5)
13 Is pretext almost out of order to be earlier? (3-5)
15 1, 6, 8, 20 and 28 are connected thus (10)
16 What's found in haystack (eetide) can be bent (4)
18 Reasonable light (4)
20 Last of ironing rushed dishevelled old ladies (5-5)
22 Lee aglow with disturbance large hooter produced (3, 3)
24 I'm among a hundred from Athens? (5)
26 Trick returning, replacing one in anger, to rise again (7)
27 Back sort of park in endorsement. Guts required (7)
28 Affection shown by the Nolans? (12)
DOWN
2 Tune on man, we hear, quickly delivered? (3, 4)
3 It's dull coming up in French number — end of wintry dampness (8)
4 Offensive line (4)
5 Put the lettuces among the radishes? (10)
6 He could be associated with pop (5)

Crossword puzzle grid with numbers 1 through 28 indicating starting positions for the clues.

Solution to Puzzle No. 5421, showing the completed crossword grid with words filled in.

Table listing various financial services and trusts, including names, addresses, and contact information.

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INSURANCE & OVERSEAS MANAGED FUNDS

Main table containing financial data for various insurance and overseas managed funds, including fund names, managers, and performance metrics.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds with their respective details.

NOTES: Additional information and disclaimers regarding the fund data.

COMMODITIES AND AGRICULTURE

Commodity prices rise strongly

BY RICHARD MOONEY

PRICES on London's leading soft (non-metal) commodity markets moved up strongly yesterday despite the strength of sterling against the dollar.

On the coffee futures market, the July position ended \$33.50 up at \$2,607.50 a tonne; July cocoa ended \$1.50 up at \$2,074.50 a tonne; and October sugar rose \$6.50 to \$172.70 a tonne.

Boosted by reports of quality problems with the 1984-85 Brazilian crop and continuing concern about the availability of adequate quality supplies for delivery against nearby position July coffee climbed to a 62-year high of \$2,595 a tonne at one stage.

London tea prices fall on lack of demand

BY CANUTE JAMES IN KINGSTON

A CUBAN EXPERIMENT to encourage the development of agricultural co-operatives as a buffer between state and private farming, has had less than expected results.

Cuban co-operatives have had bad year

BY CANUTE JAMES IN KINGSTON

Last year's poor performance is likely to set back one of the movement's main aims — to attract private farmers.

The contributions of the non-state farming sector are becoming increasingly important.

Falling stocks boost metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

FALLING STOCKS, and a firming trend in gold, boosted London base metal prices yesterday.

Copper, stocks in London Metal Exchange, rose for the 16th week in succession reducing total holdings by 11,025 to 241,425 tonnes, the lowest level since December 1982.

Lead stocks were down again by 2,400 to 90,725 tonnes, the lowest level since June 1982 and nearly 130,000 below the peak reached in October 1983.

Threat of North Sea herring war nearer

BY IVO DAWNAY IN BRUSSELS

THE SCENE has been set for a herring war in the North Sea's first-ever berring war following the breakdown of negotiations between Norway and the EEC.

British, Dutch and Danish fishermen claim that Norway's 15,000 tonne interim quota, which expires at the end of June, should be markedly cut back.

Without last minute compromises, the EEC, Community Fisheries Ministers, reached in difficult negotiations over Thursday to announce unilaterally quotas for EEC fishermen, ignoring the Norwegians' objections.

Conservation of young fish, British, Dutch and Danish fishermen claim that Norway's 15,000 tonne interim quota, which expires at the end of June, should be markedly cut back.

Without last minute compromises, the EEC, Community Fisheries Ministers, reached in difficult negotiations over Thursday to announce unilaterally quotas for EEC fishermen, ignoring the Norwegians' objections.

PRICE CHANGES

BRITISH COMMODITY PRICES

Table with 4 columns: In tonnes unless stated otherwise, May 21 1984, + or -, Month ago. Includes Metals (Aluminium, Copper, Lead, Zinc), Oils (Crude, Fuel Oil), and other commodities.

Table with 4 columns: a.m., Official, + or -, p.m., - or -. Includes BASE METALS (Copper, Lead, Zinc), COCOA, COFFEE, GRAINS (Wheat, Barley), and RUBBER.

AMERICAN MARKETS

Table with 4 columns: May 21, + or -, Month ago. Includes SOYBEAN MEAL, SUGAR, MEAT/FISH, and various agricultural products.

LONDON OIL

Gas oil prices reached the highs on the opening as traders reacted nervously to weekend statements of the Gulf.

Lowest level since June 1982 and nearly 130,000 below the peak reached in October 1983.

SPOT PRICES

Table with 3 columns: Latest, + or -, Change. Includes CRUDE OIL, Arabian Light, and other oil products.

GOLD MARKETS

Gold rose \$3 1/2 an ounce from Friday's close in the London bullion market to \$379.380.

In Zurich gold finished at \$380.1300 from \$375.375.

LONDON FUTURES

Table with 4 columns: Month, Year-to-date, + or -, Business Done. Includes Gold, Silver, and Platinum.

EUROPEAN MARKETS

Sugar (FFR per tonne): Aug 1415, 1410, Oct 1480/1488, Dec 1586/1598.

Wheat (U.S. \$ per tonne): U.S. two northern spring 18 per cent protein May 180, Jun 184, Jul 183.

BASE METALS

BASE METAL PRICES were generally firm in London yesterday.

The strength of precious metals coupled with U.S. buying and a downturn in LME stocks boosted Copper to \$1,034.75.

COPPER

COPPER a.m. Official + or - p.m. - or - High Grade + or - Low Grade + or -

Settlement 1014 1/2 1015 1/2

TIN

TIN a.m. Official + or - p.m. - or - High Grade + or - Low Grade + or -

Settlement 9070 9080 9090

LEAD

LEAD a.m. Official + or - p.m. - or - High Grade + or - Low Grade + or -

Settlement 241 241 241

ZINC

ZINC a.m. Official + or - p.m. - or - High Grade + or - Low Grade + or -

Settlement 217 217 217

WOOL FUTURES

WOOL FUTURES - Close (m order) buyer, seller, business.

Settlement 121.0 121.0 121.0

SOYBEAN MEAL

SOYBEAN MEAL - Close (m order) buyer, seller, business.

Settlement 107.0 107.0 107.0

SUGAR

SUGAR - Close (m order) buyer, seller, business.

Settlement 15.0 15.0 15.0

MEAT/FISH

MEAT/FISH - Average butch prices at representative markets.

Settlement 42.0 42.0 42.0

NEW YORK

NEW YORK - Close (m order) buyer, seller, business.

Settlement 100.0 100.0 100.0

CHICAGO

CHICAGO - Close (m order) buyer, seller, business.

Settlement 200.0 200.0 200.0

INDICES

INDICES - Close (m order) buyer, seller, business.

Settlement 100.0 100.0 100.0

REUTERS

REUTERS - Close (m order) buyer, seller, business.

Settlement 100.0 100.0 100.0

MOODY'S

MOODY'S - Close (m order) buyer, seller, business.

Settlement 100.0 100.0 100.0

DOW JONES

DOW JONES - Close (m order) buyer, seller, business.

Settlement 100.0 100.0 100.0

MEAT COMMISSION

MEAT COMMISSION - Average butch prices at representative markets.

Settlement 42.0 42.0 42.0

SUNCHED

SUNCHED - Average butch prices at representative markets.

Settlement 42.0 42.0 42.0

STARKIRKMAN

STARKIRKMAN - Average butch prices at representative markets.

Settlement 42.0 42.0 42.0

Handwritten Arabic text: كوكب من النحل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Interest rates depress dollar

The main influence on the foreign exchanges yesterday was speculation about a possible limit on U.S. interest rates. Until quite recently it was assumed the upward trend in rates might lead to a rise in the discount rate at least a light easing of monetary policy at today's Federal Open Market Committee meeting.

The threat of intervention by central banks also overhangs the market, and both the German Bundesbank and Bank of Japan were sellers of dollars at various times.

THE POUND SPOT AND FORWARD

Table with columns: May 21, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, Germany, France, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, Thailand, UK, West Germany.

FINANCIAL FUTURES

Gilts firm

Gilt prices were firmer in the London International Financial Futures Exchange yesterday. Values finished close to the day's highs in line with a firmer cash market.

The market based its judgement on the possibility of higher U.S. interest rates on the part of the Federal Reserve and also the recent support operations given to Continental Illinois.

LONDON

Table with columns: Three-month Eurodollar, Three-month sterling deposit, Three-month sterling bill, Three-month Eurodollar (May), Three-month sterling bill (May), Three-month Eurodollar (June), Three-month sterling bill (June).

THE DOLLAR SPOT AND FORWARD

UK and Ireland are quoted in U.S. currency. Forward commissions and discounts apply to the U.S. dollar and not to the individual currency.

UK and Ireland are quoted in U.S. currency. Forward commissions and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Table with columns: May 21, Bank of England, Morgan Guaranty, Currency Change, % Change. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, Japanese yen, Swiss franc, West German mark, French franc, Italian lira, Dutch guilder, Spanish peseta, Portuguese escudo, South African rand, Singapore dollar, Saudi riyal, Kuwaiti dinar, Bahraini dinar, Emirati dirham, Jordanian dinar, Syrian pound, Lebanese pound, Israeli sheqel, Egyptian pound, Saudi riyal, Kuwaiti dinar, Bahraini dinar, Emirati dirham, Jordanian dinar, Syrian pound, Lebanese pound, Israeli sheqel, Egyptian pound.

OTHER CURRENCIES

Table with columns: May 21, £, \$, Note Rates. Rows include Argentina, Australia, Brazil, Canada, Denmark, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, Thailand, UK, West Germany.

EXCHANGE CROSS RATES

Table with columns: May 19, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: May 21, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner.

MONEY MARKETS

London rates easier

Interest rates had an easier tone in the London money market yesterday reflecting the improvement of the U.S. bond market on Friday and suggestions that an upward limit may have been placed on U.S. interest rates by recent events.

MONEY RATES

Table with columns: May 21, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin. Rows include Overnight, One month, Three months, Six months, One year.

LONDON MONEY RATES

Table with columns: May 21, Sterling Certificate of Deposit, Interbank, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Deposits, Treasury Bills, Eligible Bank Deposits, Prime Treasury, Five Treasury, Fed funds, Fed funds at interbank.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: May 21, Sterling Certificate of Deposit, Interbank, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Deposits, Treasury Bills, Eligible Bank Deposits, Prime Treasury, Five Treasury, Fed funds, Fed funds at interbank.

MONEY RATES

Table with columns: May 21, London, New York, Tokyo, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin. Rows include Overnight, One month, Three months, Six months, One year.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING (11.00 am May 21), 3 months U.S. dollars, bid 11 1/2 offer 11 5/8, 6 months U.S. dollars, bid 12 1/2 offer 12 1/8.

The fixing rates are the arithmetic means rounded to the nearest one eighth of a cent and offered rates for 50m quoted by the market to five reference banks at 11 am each working day.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound sterling against other major currencies as at May 21, 1984.

Table with columns: COUNTRY, CURRENCY, VAL OF £ STERLING. Rows include Afghanistan, Albania, Algeria, Andorra, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bermuda, Bhutan, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burma, Burundi, Cambodia, Cameroon, Canada, Cayman Islands, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Costa Rica, Cyprus, Czechoslovakia, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, Equatorial Guinea, Ethiopia, Falkland Islands, Faroe Islands, Fiji, Finland, France, French Polynesia, Gabon, Gambia, Germany, Ghana, Greece, Grenada, Guadeloupe, Guam, Guatemala, Guinea, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kampuchea, Kenya, Korea, Kuwait, Laos, Lebanon, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, South Africa, South Korea, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Taiwan, Thailand, Togo, Tonga, Trinidad, Tunisia, Turkey, Turkmenistan, Uganda, United Kingdom, Uruguay, U.S.A., Vanuatu, Venezuela, Vietnam, Virgin Islands, Western Samoa, Zambia, Zimbabwe.

CAN'T SEE THE TREES FOR THE FOREX?

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INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 21.

Table listing international bond issues with columns for country, issue name, amount, bid, offer, and yield. Includes sections for U.S. Dollars, Yen, Deutsche Mark, Swiss Franc, and other currencies.

Table listing international bond issues with columns for country, issue name, amount, bid, offer, and yield. Includes sections for Yen, Deutsche Mark, Swiss Franc, and other currencies.

Eurodollar bond prices up after small U.S. rally

BY MARY ANN SIEGHART IN LONDON

THE EURODOLLAR bond market recorded its first price gains for a month yesterday on the back of a small rally in the New York market. Prices of a few issues rose by as much as a point, but the average increase was 1/2 point.

ENERGY REVIEW every Wednesday in the Financial Times

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

Banks await mandate on Jordanian credit

NATIONAL Bank of Kuwait and Arab Bank are today expected to be awarded the mandate for the \$200m syndicated credit sought by the Kingdom of Jordan.

Advertisement for U.S. \$235,000,000 Multi-Market Limited Recourse Project Financing for the Argyle Diamond Project. Includes details on CRA Limited and The First Boston Corporation.

Advertisement for Fläkt, featuring the slogan 'The Name to Know In Air Technology' and 'Leadership Consolidated in Main Fields New Technological Advances'. Includes technical details and contact information.

Handwritten Arabic text at the bottom center of the page.

FINANCIAL TIMES SURVEY

Finland

The economy is again expanding strongly and the present four-party coalition is showing a surprising durability. A steadfast foreign policy of close ties with the neighbouring Soviet Union continues to underpin Finland's stability

Smooth transition of political life

A MOOD of optimism and confidence pervades Finland. The economy, which for many years has outpaced most other industrial countries, is again expanding strongly after a few years of slower growth.

The potentially uneasy transition from the long era in which Finland's political life was overwhelmingly dominated by President Urho Kekkonen has been achieved more smoothly than most dared hope.

President Mauno Koivisto, who took over the presidency early in 1982 after a landslide victory, has ensured continuity in Finland's foreign policy and appears to have quickly established stable relations with the Soviet Union despite the rapid change of leaders in Moscow.

The present four-party coalition Government, led by Mr Kalevi Sorsa, the Social Democratic Prime Minister, is also showing a surprising durability. For much of the post-war period Finnish governments managed to last little more than a year. But Mr Sorsa has raised the question of a reshuffle following the local elections in the autumn.

The local elections will be the first test of opinion since the general election in March last year, in which the voters appeared to express a general dissatisfaction with politicians and the conventional parties. The element of dissatisfaction proved a boon to the Finnish Rural Party, led by Mr Pekka

By Kevin Done
Nordic Correspondent

Venamo, for the rise in support for this protest party proved strong enough to take it into the Government coalition.

The Rural Party was expected to be a factor of considerable instability in the Government, but its inclusion has in practice removed one of the administration's most intemperate critics from the ranks of the opposition. Mr Sorsa's talk of a reshuffle has been founded on a wish to give the Government a broader base. Under the Finnish constitution a vote by just one-third of the members of parliament is sufficient to block most legislation, postponing its passage beyond the next election.

Such a system compels the parties towards consensus, but it also encourages the formation of a Government as broadly-

based as possible to avoid set-backs in parliament.

Mr Sorsa's undoubted political skills will be put to a difficult test, however, if he seeks to widen the Government through the inclusion of the Finnish People's Democratic League, which comprises the Communists and their left-wing Socialist allies.

At the last election the non-Socialist parties achieved a majority in Parliament. This is reflected in the current shape of the Government, with eight Social Democratic Ministers and nine from the non-Socialist parties, the Centre Party, the Rural Party and Swedish People's Party.

That balance will not be given up easily by Mr Paavo Väyrynen, Foreign Minister and leader of the Centre Party, who has been fighting hard to arrest the decline in the party's fortunes which began in the early 1970s.

As big an obstacle to a reshaping of the Government comes from the Communists, however. More often than not they have been included in the Government since 1968, but for most of this period they have been driven by internal splits.

The bitter divisions have cost them a heavy fall in electoral support, with the League taking only 13.4 per cent of the vote in 1983 compared with 17.9 per cent in 1979 and an earlier peak of 28 per cent.

Mr Sorsa finally lost patience with the Communists' constant sniping against Government policies and forced them out shortly before the election at the end of 1982. The Communists now face a possibly decisive party congress at the end of the month, when the so-called majority line of "Euro-

communists" are expected to try to vote down the minority "Stalinist" faction and the party chairman, Mr Jouko Kajonoja.

The majority line, which does appear to outnumber the Stalinist faction, has traditionally been more in favour of serving in the Government, but there is no guarantee that it will win the day. A recent visit to Finland by a Soviet Communist party delegation, led by the Leningrad party leader Mr Lev Zhalikov, made no secret of its opposition to any split by the Finnish Communists and of its support for Mr Kajonoja.

Soviet attitudes will inevitably weigh heavily with delegates to the party congress next weekend, and it is unlikely that the Finnish Communists' self-inflicted wounds will heal quickly.

The element of dissatisfaction in the Finnish electorate—despite the general smooth running of the country's affairs—appears still to be a significant factor, with the latest opinion polls showing a surge of support towards the "Greens" protest movement.

The Greens won two seats for the first time at the last election and a recent opinion poll showed that they had obtained increased support to fully 8.9 per cent of the electorate from 1.5 per cent at the 1983 election.

Overall, the Government power remains in the hands of the same Centre-Left coalition that has dominated Finnish politics for most of the time since 1937, but the balance of forces within the coalition has shifted. The Centre, formerly the Agrarian League and the party of former President Kekkonen, has lost ground as



Mauno Koivisto, Finland's President. Mr Koivisto's election in 1982 was a landslide victory and his popularity seems undiminished, aided in part by the fact that he has been a banker, not a career politician, who has made almost a virtue of stating unpleasant political and economic facts

many of its traditional voters have moved to the cities.

Replacing it are the Social Democrats, who now for the first time hold both the presidency—once elected the President is supposed to give up party affiliations—and the premiership in the Government.

Detachment

In the tradition of Finnish presidents, Mr Mauno Koivisto appears to be maintaining a certain lofty detachment, but he does seem to be trying carefully to widen the foreign affairs debate in a way not followed by his predecessor.

More information is said to be flowing more quickly to both the Government's and Parliament's foreign affairs committees—control of foreign policy is firmly in the hands of the President under the Finnish constitution—and both these

bodies are being allowed more influence.

A steadfast post-war foreign policy based on a belief that the only way to obtain security lay in the establishment of trusting relations with its great superpower neighbour has enabled Finland to make the most—and even benefit—from its sensitive geopolitical position on the Soviet Union's north-western frontiers.

Finland's current stability and independence, which less than 40 years ago would have seemed almost unimaginable, owes much too a strong instinct for self-preservation.

"Nobody else will blow on our porridge spoon for us," former President Kekkonen once wrote. "If we fail to do so ourselves we can end up with badly blistered mouths."

Good relations with the Soviet Union have led to

CONTENTS			
Foreign policy	2	Engineering	5
Economy	2	High technology	5
Trade	2	Construction exports	5
Banking	3	Electronics	5
Central Bank	3	Profiles:	
Stock market	3	Neste	4
Industrial sectors:		Kone	5
Shipbuilding	4		

increasing trade with the east. This has provided a valuable prop to the Finnish economy, especially during the recent years of recession in its most important western markets. Finland conducts its trade with the Soviets on a basis of balance. Its imports from the Soviet Union consist of up to 85 per cent of energy, mainly crude oil.

While the economies of most western countries sagged under the heavy burden of the two oil price shocks in the 1970s, Finland was able to work its way out of the crisis, massively increasing its exports to the Soviet Union—mainly of ships and other engineering products—to pay for the much more expensive energy oil imports.

The Soviet Union is Finland's largest trading partner, taking more than 26 per cent of its exports last year. Negotiations began this month on the new five-year bilateral trade agreement for the years from 1986 to 1990, but some benefits of the expected pact are already appearing in the shape of a batch of much-needed orders for Finnish shipyards.

With oil prices falling in real terms Finland's current trade with the east is stagnating, however, and it is again looking for opportunities for growth in western markets. "Our western exports will grow by about 10 per cent in volume this year," says Mr Timo Relander, managing director of the Finnish Industry Confederation. "It's a surprise for us too."

The confidence of the business community which began to return last year is still surging ahead and most forecasts of economic growth suggest an increase of as much as 5 per cent in gross national product. These forecasts may have to be trimmed a little in the wake of this month's second supple-

mentary budget for 1984 in which the Government has acted to dampen growth because of its fears of accelerating inflation.

It has tightened fiscal policy further, in the hope (so that it can strengthen the state's finances to give it more room to stimulate the economy during the next recession. The Government now expects a rise of 4 to 4.5 per cent in gross domestic product this year, still one of the highest growth rates in the OECD.

Priority

With the recovery so firmly based—industrial output jumped by 6 per cent in the first two months—economic policy is now directed towards the first priority of bringing down Finland's inflation rate towards the level of its major trading partners in the west. The Government is confident that its latest moves will enable it to reach its target of an inflation rate of 5 per cent by the end of the year.

Its hopes were boosted by the national wage agreement reached in March. This will run for two years and has one of the lowest basic increases agreed over the past 20 years. Wage drift is still a threat, but the national pay pact is a good basis for curbing inflation further in 1985.

The national wage deal also showed the continuing ability of the trades unions and the employers to influence social welfare development, thus usurping the role of the political parties. The national wage pact was a complex deal which also included a far-reaching reform of Finland's out-dated unemployment benefit system as well as a first breakthrough for the unions in achieving shorter working hours.



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Profits hit by rates in money market

A COMPLETE change has taken place in the Finnish banking environment over the past few years, partly because foreign banks were allowed to set up in Finland in 1982, but more especially because the Bank of Finland (the central bank) has pursued a gradual process of deregulation, involving among other things the establishment for the first time of a properly functioning money market. "In the old, regulated days, anyone could make money. Now you have to earn it," said Mr Ippo Santala, general manager at Postipankki, the state-owned bank which is Finland's third largest.

Last year the banking scene was also calmed by the appointment of Mr Jaakko Lassila as chief general manager of Kansallis-Osake-Pankki (KOP). He brought a new style to KOP and a more forceful approach to domestic banking. "He seems to be doing the same thing as the Bank of Finland, introducing more competition," said one Finnish banker. "But what we are all waiting to see is who will benefit." He noted, with an undeniable touch of Schadenfreude, that KOP lost market shares (of deposits) last year. KOP's great rival, Union Bank under the less flamboyant Mr Mika Tiivola, noted a small market gain.

Mr Lassila made a particularly provocative gesture towards Union Bank in January when he announced a big new share issue. KOP had already made an issue in September, and it was tacitly assumed that the spring would be left open for Union Bank. As it was, Union Bank duly made a major issue and the market has absorbed them both without trouble.

KOP and Union Bank, with parent bank balance sheet totals of just under FM 42bn each at the end of last year, are by far the biggest of the banks, followed by Postipankki, FM 24bn, Bank of Helsinki, FM 7bn, and Oko Bank, the central bank for 370 co-operative banks, and Skopbank, the central bank for 270 savings banks.

The two big banks, however, have suffered a loss of market shares over the past few years, with Postipankki building up business in the corporate sector and the co-operative and savings

banks gaining shares of household business. This trend has probably contributed to Mr Lassila's decision to adopt a more forceful approach. He even appears in person in a television commercial assuring a worried householder that no one is better than KOP at taking care of his problems.

"The commercial banks have concentrated on building up their international business in Bank and, in January, opening a wholly-owned subsidiary in London. This year KOP also acquired a major share in Nordfinanz-Bank Zurich, increasing its share at the expense of the other Nordic shareholders. Copenhagen Handelsbank, Svenska Handelsbanken and Den Norske Creditbank, with an option to acquire the investments of the other shareholders at a later stage.

Union Bank has adopted a slightly different approach. It has increased its share in Scandinavian Bank to 23.6 per cent, but it is also setting up a wholly-owned subsidiary in London. "We see these as being complementary," said Mr Bo Harald, of Union Bank's international division. He does not see a break with Scandinavian Bank, even in the longer term.

"Scandinavian Bank gives us a presence in places where we could not otherwise afford to be. It is also a high-powered bank offering services from which we can benefit. But we think we can improve our effectiveness with our own presence in London as well," he said.

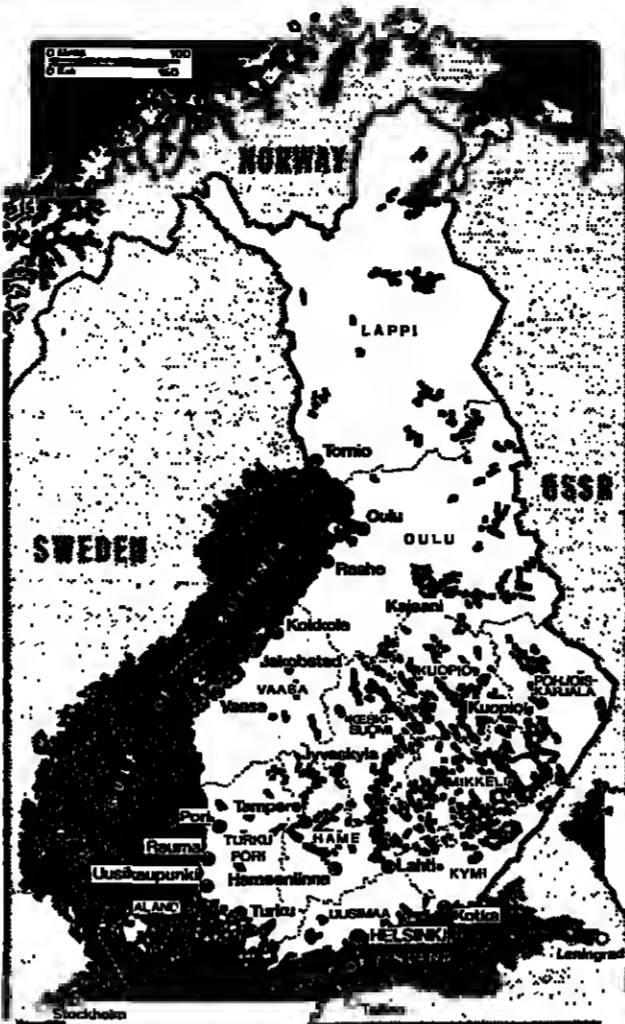
Union Bank will also become the first Finnish bank to raise equity capital in the international market later this year. It is authorised to raise up to FM 250m nominal in share capital abroad, but has not yet decided on either the amount, the method or the timing.

Three foreign banks set up in Helsinki in 1982, Citibank, Chase Manhattan and Indo-Suez Citibank, which had a representative office in Helsinki from 1977, made FM 2.2m profit last year, its first full year, while the other two made small losses. Both are satisfied with the way business is developing, however, and are confident of coming out with a profit this year, ahead of the forecast they made on setting up.

The Finnish banks were not very welcoming when the foreigners first announced their arrival, but have accepted their presence. Although the foreign banks have only a tiny share of the market, they are very competitive in many specialist services in connection with foreign business and have provided a significant new element of competition to the market. "Shumblerting" was how Bo Harald summed up his reaction to the foreign presence.

Banking

HILARY BARNES



Independent institution

THE BANK OF FINLAND has a very special and influential position in Finnish life. Constitutionally, it is controlled by Parliament and it is not, as many central banks are, controlled directly or indirectly by the Government or the Ministry of Finance.

"It has been said that we are the most independent central bank in the world, and it is because we are under Parliament and not the Finance Ministry that we have this independence," Mr Rolf Kullberg, who was appointed governor last year, observes.

"A unique feature of our system is that the Central Bank does not give credit to the government, except occasional short-term credits.

"The government needs money all the time, but it has to finance it through the market or by foreign borrowing. This acts as a brake on government spending, and although there is quite a large government deficit today, it might have been much larger," Mr Kullberg says.

The bank's controlling board of 19 members is appointed by the parliament and it reflects the party composition of the Parliament.

This supervisory board fixes the basic (discount) interest rate—now 9½ per cent—and it decides on exchange rate changes, but on a recommendation from the board of management, either accepting or

rejecting the management's proposals. The supervisory board cannot initiate policy proposals.

The board of management, chaired by the governor, is also responsible for monetary and credit control policies, although its freedom of action is obviously curtailed by the structure and history of the capital markets.

Central Bank

HILARY BARNES

Its ability to change interest rates, for example, is restricted by the fact that yields on bank deposits are tax-exempt, and as such are the main vehicle for household savings in Finland. But the tax-exempt status has made it necessary to regulate interest rates in this sector.

Over the past five or six years the Bank of Finland has gradually introduced a major reform of capital markets, enabling it, among other things, to increase the flexibility of interest rates, by the creation of a Central Bank call money market. This, together with a system of cash deposits at the Central Bank for the commercial and savings banks, has become the bank's main instrument for regulating credit expansion.

The development of the call money market facilitated a parallel development of a short-term money market based on corporate deposits.

Interest rates in the call money market have varied substantially, but last year peaked at 18 per cent before being brought down to a current level of 16½ per cent. Since the spring of 1983, the banks have been permitted to pass on 60 per cent of the cost of raising money in the call money market on other lending, where the interest rates are regulated. This has had the effect of adding about a half percentage point to average lending rates for new loans.

In the mid-1970s, when the current balance of payments deficit at one point soared to some eight per cent of GDP, the Bank of Finland adopted an unusual policy approach, based on the premise that a country cannot run a current account deficit if the deficit is not financed, and used its powers to control capital imports to implement the policy, which was successful in eliminating the deficit.

The bank can therefore claim a major share in stabilising the economy at this period, and in the subsequent success of economic policy. "We are very happy with what we did in the 1970s," Mr Kullberg reports.

This policy was not monetarist, as that word is usually understood, but since then, and perhaps especially under Mr Kullberg, the bank has become increasingly monetarist in its approach.

The bank used to try to operate a counter-cyclical monetary policy, but has found that it is not really possible and has given up the attempt, said Mr Kullberg.

"Monetary policy should never be easy. It should always be rather hard in order to keep the banks in your hands all the time. It is dangerous to ease policy. Even when business is slack.

"The Central Bank is the only institution which is really interested in fighting inflation—and we have found that it is best always to fight inflation. Employment policy is up to the government," he observes.

But this is not the commitment to monetarist orthodoxy which it might seem at first sight. "It is unreasonable to go for zero inflation when wage settlements are what they are," the governor notes. Thus money supply (the narrow definition M1) increased by about 11 per cent and bank advances by 13 per cent last year.

Capital taxes hinder growth

Stock Market

HILARY BARNES

first months of 1984.

The number of Finns owning shares has increased over two years from about 250,000 to almost a half million, which is explained by a substantial increase in the amount of dividends which can be earned and remain tax-exempt. The current limit is FM 1,900, which for a family of four adds up to a useful FM 7,200.

A substantial foreign interest in Finland has emerged as well, partly because investors noted that price-earnings ratios for Finnish shares were low and there was a useful profit to be made by those who jumped into the market first and brought the ratio closer to the international average level.

In 1981, foreign investors placed about FM 60m-70m in Finnish shares, according to Mr Tapio Niemi, securities manager at Kansallis-Osake-Pankki. In

1983 the figure was FM 544m. This included share issues in Stockholm by Kone, Wärtsilä and Nokia, a FM 165m private placement by Finnish Sugar and a FM 101m issue in New York by Instrumentarium, the fast-growing medical equipment company.

The 1983 figure will easily be exceeded this year. Wärtsilä has just placed FM 200m in London. Amer Tupakka (tobacco and other products), with a FM 90m issue, insurance company Pohola, FM 300m, and Union Bank, which could raise up to FM 400m, are among the other companies making issues abroad this year.

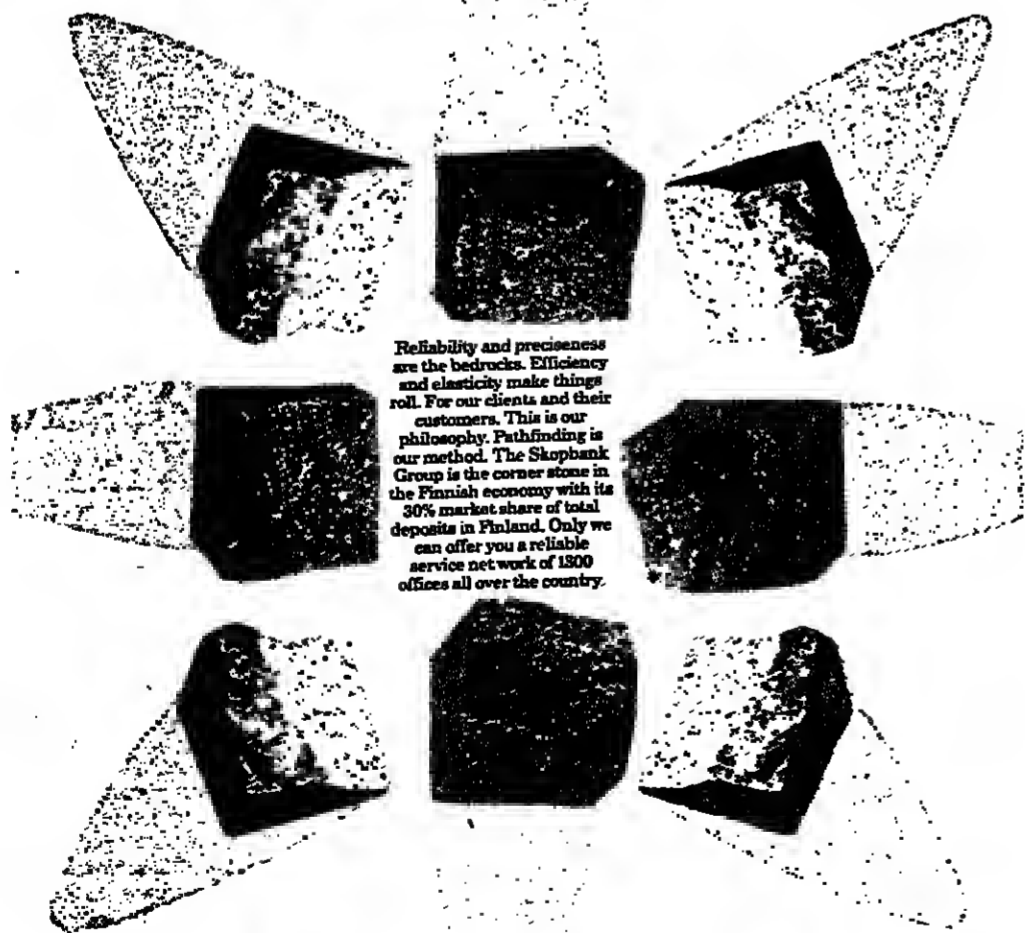
If the Government, as expected, raises the current legal limit of 20 per cent on the share capital which may be held by foreigners to 40 per cent, the issue of Finnish paper

could increase rapidly again over the next few years.

With only 48 companies listed on the Helsinki Bourse, the market is thin, which is a discouraging factor for foreign investors. Bnt, said Mr Niemi, for investors to be scared off by the lack of liquidity in the market is to approach the problem from the wrong end. "We can't have liquidity to start with. We have to create the market first," he said.

A crucial factor limiting the growth of the market is the wealth tax system, for purposes of which the shares of listed companies are valued at market price, while the shares of non-quoted companies are valued at what is probably about 30 per cent of market value. This is seriously inhibiting—in many cases prohibiting—for bourse flotation by the many family-owned companies.

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FINLAND 4

Here and on the next pages correspondents examine a number of Finland's major industries



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FINNISH INDUSTRY was a late developer, but it has rapidly made up for lost time, succeeded in clearly outpacing the growth in most other industrialised countries. The growth rate of Finnish industrial production averaged 3.5 per cent during the 10 years to 1983 compared with an OECD average of 2.2 per cent and its international performance in terms of the growth of productivity and profitability has been equally impressive. In contrast to most other Western industrial countries, Finnish industry's contribution to the gross domestic product has continued to increase and industrial employment has grown.

About half of manufacturing output is exported and the development of Finnish industry is highly dependent on foreign trade and changes in international demand. During the last 10-15 years Finland's export trade has concentrated on products and markets where growth has been slower than the average for the world market, but despite this the country has expanded its market shares, allowing a still-rapid rise in exports. The manufacturing sector has undergone profound structural change with a shift away from the forest-based industries towards metal and engineering industries. The mechanical

engineering industry is currently the largest industrial branch in terms of both value-added and the number of employees. The metal and engineering branch provides 31 per cent of value-added and the forest industry 24 per cent, but the forest industry's export performance is still dominant. A process of specialisation has helped industries such as shipbuilding, steel and textiles to avoid some of the most severe problems evident in many other countries. Finnish industry has developed particular expertise in sectors such as forest machinery, metallurgy and mining machinery, fashion clothes

and textiles and special vessels such as ice-breakers and cruise vessels. Finland's industry is still labour-intensive by international standards, but it has doubled its investment per industrial employee since 1960. Its belated industrialisation and the massive basic investment programme that this process has required means that the country's stock of machinery and equipment is still exceptionally young. For the future, increased funds will have to be devoted to investment in research and development, an area in which Finland still lags considerably

behind its international competitors. Basic industries have played a big role in the development of Finland's industry, but more and more the country is undergoing the transition from such increasingly capital-intensive operations to more highly-processed products. As part of the process of structural change Finnish industry is also riding a wave of internationalisation. To ensure competitiveness and above all to improve market position Finnish companies are increasingly establishing marketing and production units abroad.

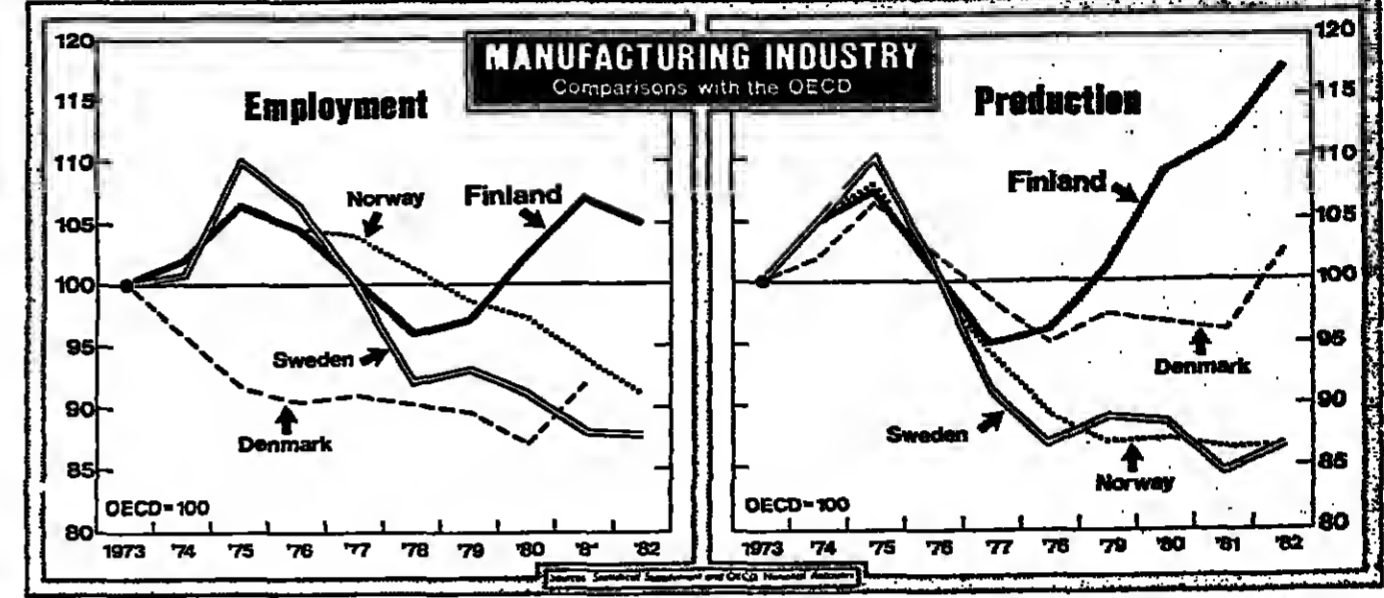
Steady flow of Russian orders

Shipbuilding

ANDREW FISHER

IN AN INDUSTRY racked by crisis for several years, Finnish shipyards have fared better than most in Europe. They have survived by producing a range of ships which includes types less subject to stiff Far Eastern competition than standard cargo vessels, and so built an enviable niche in the world industry. A steady flow of Russian orders is one major reason for Finland's success in shipbuilding. Indeed, the latest spate of Soviet orders totalling some FM 2.8bn (nearly £350m) has proved timely for some yards with thinning order books.

Ice-strengthened vessels and special ice-breakers are one of the mainstays of the Finnish industry, with the Soviet Union the main customer. The orders are placed as part of the five-year Soviet plans — the latest anticipate the next one starting in 1986 — and ensure a steady flow of revenues over several years. Cruise ships are the other vessel for which Finnish yards, especially that of Wartsila in Helsinki, are well known. This autumn Wartsila will deliver the \$150m Royal Princess to P & O Cruises as the latest in a long line of cruise vessels built for affluent Western, mostly

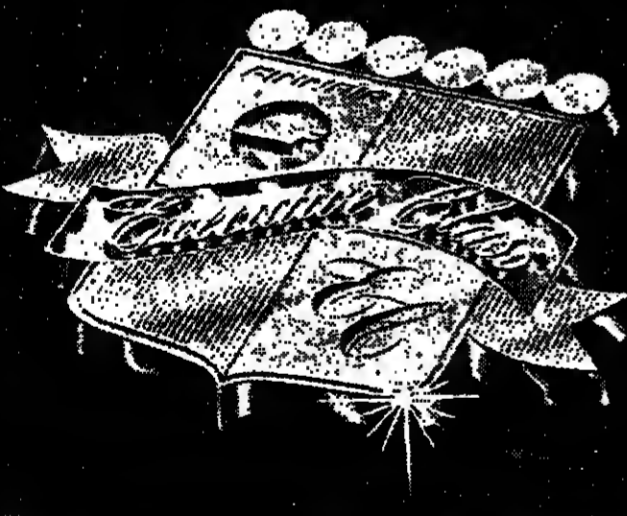


the next batch of Soviet orders, though the power plant would be installed in the Soviet Union. A large number of Wartsila's orders are for prototypes. It has just won an order for an advanced ice-breaker for use by the Finnish Board of Navigation. The new P & O cruise ship, to operate mainly from the U.S. West Coast, will be the first to have all its cabins facing the water. The success in building cruise vessels extends to passenger ferries as well. The sight in Helsinki harbour, with its low skyline, of the massive ships which ply to Sweden and Germany is awesome, especially when the water is covered with broken ice in winter. But for all its success in shipbuilding and its high world reputation, Wartsila is keen to expand its existing interests in paper machinery, diesels, ceramics, and locks and security devices. It has just raised £25m on the London stock market and is looking for new international sales markets. The company recognises that shipbuilding is not the most promising of industries to be in

these days, even though its high level of specialisation protects it from many of the ravages of the market. Last year, it even accepted an order for two ferries for a domestic shipowner at a lower than usual price to stop them from going to the Japanese. At a time of tough world shipbuilding markets, it is determined to protect its stake. The industry employs about 17,000 people in Finland, about 1,000 fewer than at the start of 1983. Apart from Wartsila, the other main yards are owned by Valmet and Rauma-Repola. It is the latter two which have obtained the largest Soviet orders this spring, though Wartsila undoubtedly will secure more over the next year or so. Valmet's orders in April from Sudolimport, the Soviet foreign trade organisation, for five multi-purpose cargo ships for Arctic use, was worth FM 1.5bn and was its biggest ever single order. Rauma-Repola won a near FM 1bn contract from Russia to build nine ships — five small oil product tankers for Arctic use, two salvage tugs, and two

special ships for seabed charting. Wartsila's order was for two Siberian river dredgers worth FM 300m. Work on the Rauma-Repola ships alone will require 1,600 man-years, the company said. But it made clear that it still urgently needed new orders to secure longer-term employment at its yards. The Finnish shipbuilding order book was worth about FM 8bn at the end of the first quarter of this year, during which eight ships totalling 86,000 gross registered tons had been delivered and three totalling 45,000 tons had been ordered. The subsequent Soviet and other orders — Valmet won a contract for FM 280m to build a ferry for a Finnish operator — have filled up much of the capacity at the yards. But the more sophisticated the ships, the more planning and preparation is involved. Thus work on some of the Soviet ships will not start until autumn. Even FM 1bn contract from Russia to build nine ships — five small oil product tankers for Arctic use, two salvage tugs, and two

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PROFILE: NESTE

Spree of new acquisitions

NESTE, FINLAND'S national oil company and the country's largest industrial corporation in terms of turnover, has embarked on a spree of foreign and domestic acquisitions to improve its market position and reduce its dependence on the shrinking domestic oil market. Its biggest purchase to date was completed a few weeks ago with the takeover of Unifos, the Swedish polyethylene producer, from its joint owners Kennametal, the Swedish chemicals group and Union Carbide of the U.S. The deal, thought to have cost Neste about FM 500m, will make it one of the largest polyethylene producers in Europe with an annual production capacity of about 600,000 tonnes. Through the acquisition it will enter two new sectors of the plastic materials market — high-density and linear low polyethylene—and it has clearly become the dominant producer of plastics in the Nordic region with interests too in PVC and polystyrene production. With the purchase of a number of other companies in both Finland and Sweden, Neste has also been gradually widening its interests in plastics processing. It has bought up a Finnish polystyrene producer and also the Swedish company Bostit Plast, which uses polystyrene as a raw material in the manufac-

ture of insulating materials. Although much of the recent acquisition activity has been in the chemicals sector, which last year had sales of FM 1.6bn, these operations are still dwarfed by Neste's oil interests. The company, founded in 1948, was built up around oil refining. It still has by far the biggest refinery capacity in northern Europe — 12m tonnes a year—but in recent years developments in the world oil market have forced it to seek to expand into a more traditionally organised integrated oil group with interests in all stages, from exploration and production to distribution and trading. Jump Neste group sales last year totalled FM 23.7bn compared with FM 17.5bn in 1982, but the big jump chiefly reflects the group's move into international oil trading in both crude oil and oil products. It has established new trading operations in both London and New York and the company's involvement in trading and exchange deals jumped to FM 6.4bn in 1983 from only FM 2.3bn a year earlier. Neste is Finland's only refiner of crude oil and as such plays a central role in the country's bilateral trade with the Soviet Union. About 85

per cent of the USSR's exports to Finland consist of energy and the lion's share of this comes in the form of crude oil. Last year Neste imported 3.6m tonnes of crude oil for its own refining processes, of which fully 85 per cent came from the Soviet Union. In addition it has been trading since 1982 1-1.5m tonnes of "third-party" crude a year for the Soviet Union. The crude oil, chiefly from Libya, has been sold on to Neste by the USSR to help balance its high level of payments for Finnish imports. Neste also handles natural gas imports from the Soviet Union and it is currently involved in the early stages of a FM 900m project aimed at increasing imports of Soviet natural gas from the present level of 800m cubic metres a year to about 2.5bn cubic metres a year by the end of the 1990s. Neste has its main operations in oil and chemicals and related shipping activities, but it has also been expanding its involvement in the manufacture of batteries. Through a series of acquisitions it now has production plants in five countries, Finland, Denmark, Sweden, Austria and Greece. Its latest purchase, of Zyve in Denmark, is seen as an essential step in safeguarding its position as Scandinavia's leading manufacturer of lead accumulators.



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